

PUBLIC

**DOCUMENT OF THE INDEPENDENT CONSULTATION
AND INVESTIGATION MECHANISM**

**SECOND MONITORING REPORT
MULTIPHASE PROGRAM FOR THE DEVELOPMENT OF PRODUCTION
SUPPORT INFRASTRUCTURE IN ENTRE RÍOS
(CASE AR-MICI001-2010)**

This document was prepared for the Consultation Phase.

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Second Monitoring Report:
September 2013 – March 2014

Case AR-MICI001-2010

Multiphase Program for the Development of Production Support
Infrastructure in Entre Ríos (AR-L1036)

CONSULTATION PHASE

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SECOND MONITORING REPORT

Period: September 2013 – March 2014

I. EXECUTIVE SUMMARY

- 1.1 Pursuant to paragraph 52 of the current policy of the Independent Consultation and Investigation Mechanism (ICIM) (document GN-1830-49), this report is issued to report the progress made over the period of reference (September 2013 through March 2014) on the commitments assumed by the Parties under the Memorandum of Understanding and Commitment (“Memorandum” or “Agreement”) signed in December 2012 in Case AR-MICI001-2010, regarding the Multiphase Program for the Development of Production Support Infrastructure in Entre Ríos (document AR-L1036). The progress related in this report builds on the advances made during the period from January through August 2013, which are documented in the first monitoring report.¹
- 1.2 According to information furnished to the ICIM by the Parties² during the present reporting period, progress has been made: (i) on the design of the Citizen Participation Plan; and (ii) on works to supply residents with three-phase power. However, there has been no headway on other activities envisaged under the Agreement, as they depend on progress made in the project—which has begun and is currently in the construction phase—and on the Citizen Participation Committee’s approval and implementation of the Citizen Participation Plan.
- 1.3 To date, 10 of the 22 activities included in the Agreement³ have either been fulfilled or are in the process of being fulfilled. Over the next six months, the approval and implementation of the Citizen Participation Plan will be closely monitored, and, once work on the transformer station commences, the Consultation Phase team plans to visit the project site to help the Parties draft a compliance timetable and verify that conditions are in place for its implementation.

II. ICIM POLICY FOUNDATIONS FOR AGREEMENT MONITORING

Paragraph 52 of the ICIM policy⁴ establishes the following agreement monitoring obligations in the Consultation Phase: “The Project Ombudsperson⁵ is responsible for making arrangements to provide for: (a) direct or outside monitoring of any agreement reached by the parties to the

¹ Document MI-13-2, [first monitoring report](#).

² The official assigned to case AR-MICI001-2010 for the Consultation Phase is Aránzazu Villanueva. Any questions or correspondence related to the case should be addressed to her via email (mvillanueva@iadb.org).

³ Annex 1 includes a list of the 22 agreed activities and the compliance status for each as of the publication date of this report.

⁴ Basic documents are available at www.iadb.org/mici.

⁵ As of 31 August 2013 and until the revised ICIM policy takes effect, the ICIM Executive Secretary and the assigned case officer are responsible for agreement monitoring.

consultation; and (b) adequate measures to determine whether such agreement is being implemented in an appropriate manner. The Project Ombudsperson shall consult with the Requester with respect to the monitoring measures. Monitoring reports shall be issued at least semi-annually for so long as the Project Ombudsperson deems appropriate. Monitoring protocols and reports shall be made public via the Registry. The Project Ombudsperson will notify the President, Board (and the Donors Committee, in the case of a MIF-funded operation), the Requester, and other relevant parties of the results of its periodic monitoring exercises and of any recommendations that may result therefrom.”

III. CASE BACKGROUND

- 3.1 The case originated with a request initially submitted to the ICIM on 28 June 2010 by Pablo and Matías Folonier and Sara Ramona Quiroga, and later joined by several residents of the El Brete neighborhood (collectively “the Requesters”), alleging potential environmental and social impacts stemming from the “Multiphase Program for the Development of Production Support Infrastructure in Entre Ríos,” AR-L1036 (“the Project”), financed by the IDB in Argentina, in violation of Operational Policy OP-703 (Environment and Safeguards Compliance) and Operational Policy OP-102 (Access to Information).
- 3.2 From March 2011 through December 2012, the Parties—the Requesters, Energía de Entre Ríos S.A. (ENERSA), and the Program Execution Coordination Unit (PCU) of the Ministry of the Economy, Treasury, and Finance of Entre Ríos—voluntarily engaged in a dialogue process facilitated by the ICIM on the following issues: (i) technology and design options for the transformer station that would represent a significant or appreciable change in terms of visual and/or environmental impacts; and (ii) visual impact mitigation measures, implementation of conservation activities, and promotion of specific arrangements with the relevant public agencies. On 18 December 2012, this process culminated in the signing of an agreement between the Parties.⁶
- 3.3 The Agreement included the following commitments, made in good faith and by consensus: (i) to increase measures for mitigating visual impact; (ii) to improve infrastructure conditions in the El Brete neighborhood; (iii) to create a private natural protected area; (iv) to implement a Citizen Participation Plan; (v) to resolve disputes through dialogue and mediation, and to withdraw lawsuits; and (vi) to make any statements to the media jointly with regard to the case or the Agreement.
- 3.4 The Parties agreed that the monitoring of commitments would be carried out by the ICIM.
- 3.5 The first monitoring report on the case⁷ was published on 30 August 2013, covering the period from January through August 2013.

⁶ For more information about the Consultation Phase and the aforementioned agreement signed by the Parties, see the ICIM Registry of Requests (www.iadb.org/mici) and [Consultation Phase Report AR-MICI001-2010](#).

⁷ See the ICIM Registry of Requests (www.iadb.org/mici) and [first monitoring report](#).

IV. ACTION UNDERTAKEN DURING THE MONITORING PROCESS

- 4.1 Pursuant to information furnished to the ICIM by the Requesters and ENERSA by telephone or in writing, the following actions were carried out during the period from September 2013 through February 2014:
- 4.2 Following several meetings between ENERSA representatives and residents, an agreement was reached in January 2014 on hiring a citizen participation expert. The specialist began work on 1 February 2014 and by the end of the month had delivered a draft Citizen Participation Plan, which is currently being reviewed by Pablo Folonier and ENERSA specialists.
- 4.3 Regarding the provision of three-phase power, ENERSA completed the agreed infrastructure works and is in a position to provide three-phase power to residents who request it, once they have equipped their homes with the necessary connections. To date, this service has been provided to the only resident who both requested the service and complied with the agreed requirements.
- 4.4 ENERSA reported that since construction began on the transformer station, the original construction schedule had to be adjusted by four to six months, owing to force majeure—a delay approved by the IDB. This will result in an equivalent delay in the activities to be carried out under the Agreement.
- 4.5 Other commitments depend on the work of the Citizen Participation Committee, which will be formed in accordance with the Citizen Participation Plan prepared by the contracted expert hired for that purpose, once the Parties have reviewed and approved it.
- 4.6 As of the publication date of this report, the following points of the Agreement had either been fulfilled or were in the process of being fulfilled:⁸

⁸ Includes the activities initiated since the Agreement was signed through the publication date of this report.

	COMMITMENT/ACTIVITY	STATUS
1	Engage the services of a landscape expert	FULFILLED
2	Prepare landscape report	FULFILLED
3	Carry out the infrastructure works to supply residents with three-phase power	FULFILLED
4	Supply three-phase power to residents who request it	FULFILLED
5	Sign an agreement with the company selected to implement visual impact mitigation measures, in due course, including the landscape expert's recommendations	FULFILLED
6	Engage the services of a citizen participation expert	FULFILLED
7	Design the operating procedures for the Citizen Participation Committee and its subordinate areas	IN PROCESS
8	Withdraw lawsuits	FULFILLED
9	Promote civic engagement to persuade the Province to donate land for the construction of a healthcare center	IN PROCESS
10	Abstain from communicating individually with the media	FULFILLED

V. NEXT STEPS AND CONCLUSION

- 5.1 The Parties reported on complications regarding the availability of all involved stakeholders, including time-related constraints, resulting in slower implementation of the commitments. Nevertheless, the Parties remain committed to the process, which continues to move forward. The Parties specifically commented on the cordial state of relations and collaboration during the process.
- 5.2 Pursuant to the Agreement and actions undertaken to date, the ICIM will monitor the following activities between April and September 2014:
- a. Citizen Participation Plan:
 - i. Results of the Parties' consideration of the plan, with a view to its approval;
 - ii. Formation of the Citizen Participation Committee;
 - iii. Initiation of the plan's implementation; and
 - iv. Supervision of the hired consultant.
 - b. Measures to mitigate visual impact:
 - i. Preparation of a timetable of commitments to carry out agreed activities in this area; and

- ii. Preparation of a photo documentation project to facilitate the monitoring of progress and to assess the situation before and after.
- 5.3 As part of the ICIM monitoring function, the Consultation Phase team is expected to conduct a monitoring mission to the project site between June and July 2014. The date of that mission is subject to progress in the transformer station construction works.

ANNEX I. Commitment Monitoring Table

Action	Agreed Activity	Responsible Party	Status
1	Engage the services of a landscape expert	ENERSA	Fulfilled
2	Install a wire mesh fence and plant vines	ENERSA	Pending
3	Initiate natural revegetation process	ENERSA	Pending (Memorandum of Agreement on the Definition of Technical Issues signed in May 2013)
4	Reduce the height of the crossbeam of the first gantry and the length of the end loops of the guard cables	ENERSA	Pending (Memorandum of Agreement on the Definition of Technical Issues signed in May 2013)
5	Paint transmission line pylons	ENERSA Citizen Participation Committee	Pending (Memorandum of Agreement on the Definition of Technical Issues signed in May 2013)
6	Maintain the grove under the shunt line	ENERSA TRANSENER	Pending
7	No requests to be made for the opening of public streets to access transformer station or to lay and maintain high voltage lines	ENERSA TRANSENER	Pending (to date, there has been no verification of any new streets being opened)
8	Take steps aimed at securing the donation of land for healthcare center	Residents	In process
9	Secure financing to build and equip healthcare center	ENERSA	Pending
10	Carry out infrastructure works with a view to supplying three-phase power	ENERSA	Fulfilled
11	Adapt inside electrical connections to receive three-phase power	Residents who want this service	Fulfilled (to date, one resident has requested three-phase power and has adapted his inside electrical connections)
12	Improve public lighting	Superior Government of Entre Ríos Province ENERSA Municipality of Paraná (cooperation framework agreement for additional work in the El Brete neighborhood)	Pending

Action	Agreed Activity	Responsible Party	Status
13	Improve road network	Superior Government of Entre Ríos Province ENERSA Municipality of Paraná (cooperation framework agreement for additional work in the El Brete neighborhood)	Pending
14	Improve provision of drinking water service	Superior Government of Entre Ríos Province ENERSA Municipality of Paraná (cooperation framework agreement for additional work in the El Brete neighborhood)	Pending
15	Implement road safety measures	Provincial Road Directorate (DPV) (to include construction of an acceleration ramp as part of the project and will consider the possibility of adding others when the construction of the pertinent section of the road expansion project is under way)	Pending
16	Supplement and adjust request to create a private natural protected area in the vicinity of the transformer station	Folonier family	Pending
17	Review implications of request to create private natural protected area	ENERSA Folonier family	Pending
18	Engage consultant to design the Citizen Participation Committee's operating procedures	ENERSA	Fulfilled
19	Form Citizen Participation Committee	Residents ENERSA	Pending
20	Develop a citizen participation plan	Citizen participation consultant	In process (consultant provided ENERSA a draft citizen participation plan (end-Feb. 2014), which the Parties are currently reviewing)
21	Withdraw lawsuit in Case 13,891 filed with the Civil and Commercial Court of First Instance 7, Entre Ríos Province	Folonier family	Fulfilled
22	Abstain from individual contact with the media	Parties	Fulfilled