

PUBLIC

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

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

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Third Monitoring Report:  
April - November 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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## THIRD MONITORING REPORT

**Period: April - November 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 (April to November 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 (AR-L1036). The progress related in this report builds on the advances made during the periods from January through August 2013 and from September 2013 through March 2014, which are documented in the first and second monitoring reports.<sup>1</sup>
- 1.2 During the period covered by this report, the ICIM<sup>2</sup> conducted a visit of the project site to: (a) verify directly the progress reported on the agreement; (b) verify the status of the work, on which several points of the agreement depend; (c) bring the parties together to identify challenges in the actions envisaged under the agreement; and (d) prepare a time line for implementation of the actions under the agreement in collaboration with the parties for their individual monitoring.
- 1.3 The visit conducted by the ICIM verified that (a) the work on the transformer station was 70% complete; (b) several of the agreed upon activities have been 100% fulfilled; (c) some of the pending activities are dependent on completion of the work, and are expected to be completed by ENERSA at that time; (d) all of the other items pending fulfillment report intermediate activities targeting final completion; (e) the Citizen Participation Committee resumed its work and is actively operating with the support of the facilitation team hired by ENERSA; (f) the IDB project team is closely monitoring fulfillment of the agreement in support of the Mechanism, and (e) given that certain points in the agreement depend on third parties and are therefore beyond the direct control of the Parties, ENERSA has reiterated its commitment to take the actions at its disposal to encourage the fulfillment thereof.
- 1.4 To date, 21 of the 22 actions considered in the agreement have been fulfilled or are in the process of fulfillment.<sup>3</sup> As of the date of the ICIM mission, at the parties’ request, it agreed

<sup>1</sup> Documents MI-13-2 and MI-13-3: [First Monitoring Report](#) and [Second Monitoring Report](#).

<sup>2</sup> The official assigned to case AR-MICI001-2010 for the Consultation Phase is Aránzazu Villanueva. Any questions or correspondence related to the case may be addressed to the following email address: mvillanueva@iadb.org.

<sup>3</sup> Annex 1 lists the 22 actions agreed upon and the fulfillment status of each one as of this report’s preparation date.

to play a more active supervisory role, to streamline the process and maintain the fluidity of communications between the Parties. During 2015, special monitoring will be conducted on the activities set forth in the time line prepared by the parties during the ICIM visit.

- 1.5 As of this report's date of issue, the Board of Executive Directors will have approved a revised Policy of the Independent Consultation and Investigation Mechanism (document MI-47-3) and a Transition Plan (document MI-48-1), indicating how cases under monitoring will be handled as of the Policy's approval date. In particular, for case AR-MICI001-2010, the monitoring actions by the ICIM will have a five-year time limit as of 17 December 2014, and monitoring reports will be issued annually.

## **II. BACKGROUND ON MONITORING FROM THE ICIM POLICY**

- 2.1 Paragraph 52 of the Policy Establishing the ICIM<sup>4</sup> sets forth the obligations in terms of monitoring for the Consultation Phase as follows: "The Project Ombudsperson<sup>5</sup> is responsible for making arrangements to provide for (a) direct or outside monitoring of any agreement reached by the parties to the 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. BACKGROUND ON THE CASE**

- 3.1 For background on the case, please consult the following documents:

[Determination of Eligibility;](#)

[Consultation Phase Assessment Report;](#)

[Consultation Phase Report AR-MICI001-2010;](#)

[First Monitoring Report;](#)

[Second Monitoring Report.](#)

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<sup>4</sup> See basic documents at [www.iadb.org/mici](http://www.iadb.org/mici).

<sup>5</sup> As of 31 August 2013 and until the effective date of the revised ICIM policy, monitoring will be conducted by the team made up of the Executive Secretary of the ICIM and the official assigned to the case.

#### IV. ACTIONS TAKEN DURING THE REPORTED MONITORING PERIOD

- 4.1 Between April and November 2014, the parties provided information to the ICIM by telephone and in writing on the activities pending fulfillment. In addition, on 11 and 12 November, a Consultation Phase team conducted a field visit<sup>6</sup> with the following objectives:
- a. to verify directly the progress reported on the agreement, as well as the progress on the construction works on which several actions contained in the agreement depend;
  - b. to meet with the parties to identify first hand potential obstacles to fulfillment of the commitments in due time and form, and
  - c. to promote the adoption of more efficient methods for interaction between the Parties in order to streamline the compliance process, such as, for example, jointly establishing a time line for supervision of fulfillment; and to designate roles, functions, and time limits to clarify the process and prevent new conflicts from arising.



Photo 1. Joint meeting during the ICIM field visit.

- 4.2 During the field visit, the ICIM held individual meetings with the Requesters, ENERSA, and the Program Execution Coordination Unit (PCU), and a joint meeting with all parties (Photo 1). It also had the opportunity to meet with the consultant hired by the IDB project team to monitor the project and the agreement. During the mission, it also visited the site where the Transformer Station is being built.
- 4.3 As of the date of the visit, the work was 70% complete, and with respect to the agreement, the activities indicated in the following paragraphs had been completed.
- 4.4 With respect to the visual impact mitigation measures:

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<sup>6</sup> This report covers the period from April to November 2014 and the results of the monitoring mission.

- a. an initial measurement was taken and a second was requested of the gantries and end loops of the guard cables. As of the report date, a date for the second measurement was pending confirmation;
- b. it was agreed that, subject to authorization by the regulatory authority, the structures of the 132 kV lines would be painted a color selected by local residents, in consultation with a landscape expert;
- c. installation of the wire mesh fence with vines was not possible due to its location in an area where work machinery and materials are moved (Photo 4), so its installation is planned upon completion of the works;
- d. the revegetation process has been initiated for the perimeter forest shelterbelt;



Photo 2. Grove under the shunt line.



Photo 3. Land for natural revegetation.



Photo 4. Area for installation of wire mesh

- e. fertile land has been identified on the work site to be used in the natural revegetation process on the transformer station's 16 ha property (Photo 3). This natural revegetation of the transformer station property will be undertaken upon completion of the works;

- f. the executing agency has maintained the grove under the shunt line. The current height of this grove does not pose a safety risk for the transformer station (Photo 2). In addition, periodic maintenance activities have been considered by the executing agency to reduce the grove's height should it grow. Fulfillment of this activity is ongoing;
  - g. ENERSA has not requested and does not plan to request the opening of public streets. To date, it has only been necessary to request an access permit from the owner of a property that the construction company needed to access. Fulfillment of this activity is ongoing.
- 4.5 With respect to actions aimed at improving infrastructure conditions of the El Brete neighborhood:
- a. The works to provide three-phase power<sup>7</sup> are in the process of being finalized by ENERSA and are expected to be completed in early 2015, with delivery of power to the residents who requested it pending;
  - b. The Municipality of Paraná is conducting a feasibility study on the neighborhood improvement actions, which ENERSA is monitoring. ENERSA will inform the residents of the progress made;
  - c. On the road safety measures (route 168), the Provincial Road Directorate (DPV) has included the construction of the acceleration and deceleration ramps requested in the works, which are currently being built on the road; and
  - d. Residents, with the support of ENERSA and the facilitation team hired by the company, are making efforts to expedite the donation of the land for the planned construction of the health care center. Moreover, ENERSA, which has reserved funds to fulfill this point of the agreement, is making the necessary inquiries to determine the construction and operation requirements.
- 4.6 With respect to the creation of a private natural protected area, the Folonier family met with some difficulties in moving forward on this point of the agreement; so ENERSA has agreed to work with them on the matters where it is able to assist.
- 4.7 The Citizen Participation Plan will take effect once the residents agree on the procedures manual prepared by the facilitation team hired by ENERSA. Meanwhile, the Citizen Participation Committee has resumed meetings after a period during which no meetings were held due to misunderstandings. The Committee agreed that for the time being it will hold monthly meetings with two of its members and the facilitation team, and quarterly meetings with all members.

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<sup>7</sup> This activity was indicated as fulfilled on the preceding monitoring report, in accordance with the information provided by the parties; however, the mission determined that there was contradictory information that was verified and clarified by ENERSA.



4.8 In short, at the time this report was issued, the parties have confirmed that the following points of the agreement are fulfilled or in process:<sup>8</sup>

	AGREEMENT/ACTIVITY	Status
1	Reduce the height of the crossbeam of the gantries and the length of the end loops of the guard cables	IN PROCESS
2	Maintain the grove under the shunt line	FULFILLED (ongoing activity)
3	Paint the structures of the 132 kV lines a color that minimizes their environmental impact	IN PROCESS
4	Engage the services of a landscape expert	FULFILLED
5	Natural revegetation	IN PROCESS
6	No requests for the opening of public streets	FULFILLED (ongoing activity)
7	Supply of three-phase power: complete construction of infrastructure to supply power	IN PROCESS
8	Supply of three-phase power: adapt home connections to receive power	IN PROCESS
9	Improve public lighting	IN PROCESS
10	Improve road network	IN PROCESS
11	Improve provision of water service	IN PROCESS
12	Road safety measures (route 168)	IN PROCESS
13	Health care center: steps for donation of land	IN PROCESS
14	Health care center: financing	IN PROCESS
15	Request to create private natural protected area	IN PROCESS
16	Review implications of request to create private natural protected area	FULFILLED
17	Engage the services of experts in citizen participation	FULFILLED
18	Form Committee and develop participation plan (procedures manual)	IN PROCESS
19	Implementation of Citizen Participation Plan	IN PROCESS
20	Withdraw lawsuits	FULFILLED
21	Abstain from individual contact with the media	FULFILLED

<sup>8</sup> Including activities undertaken as of the signature of the agreement and up to the date of issue of this report.

## V. NEXT STEPS AND CONCLUSIONS

- 5.1 The ICIM field visit provided not only firsthand knowledge of the current status of each of the activities pending fulfillment and the challenges and opportunities for each of the parties, but also brought the Mechanism closer to the parties and to the specific circumstances of the case, which it had not achieved remotely.
- 5.2 The visit confirmed fulfillment of several of the agreed upon activities and that, for all other points of the agreement still not completely fulfilled, activities had been undertaken aimed at their fulfillment (See Annex 1).
- 5.3 There is a notable will among the parties to work together, in a cordial and collaborative context, on fulfillment of the agreed upon commitments.
- 5.4 Also noteworthy is the active role in monitoring fulfillment of the agreement by the project team in the IDB Country Office in Argentina, as well as its proactive collaboration with the ICIM in the process.
- 5.5 ENERSA indicated that the works will be completed by the end of 2015, and that by then it will be able to implement all those commitments dependent on completion of the works, especially those linked to the mitigation of the station's visual impact. With respect to the actions that depend on third parties, posing the largest challenge in terms of fulfillment, ENERSA remains committed to collaborating to the extent possible to secure their fulfillment.
- 5.6 On the basis of all of the above, the parties, with the support of the ICIM, established a time line of specific activities that has enabled timely progress on each of the points of the agreement.
- 5.7 To support fulfillment, the parties have expressed an interest in the ICIM playing a closer role in monitoring, since this would provide greater flexibility and fluidity to the process.
- 5.8 Consequently, during the next six months, the following activities are planned:
  - a. the ICIM will play a more active role in monitoring the agreement: (i) by promoting virtual joint meetings through periodic videoconferences aligned with the plans in the new fulfillment time line, and (ii) through more fluid communication with the local IDB consultant;
  - b. the Citizen Participation Committee will continue to hold the periodic meetings it has established, with the support of the facilitation team, reporting to all of the parties, the ICIM, and the project team on the activities planned in the time line, as well as on any obstacle hindering fulfillment of each activity in the established time frame, and
  - c. upon completion of the works in the next six months, the Consultation Phase team is expected to conduct a mission to the project site to verify fulfillment of the activities dependent on completion of the 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	Natural revegetation process	ENERSA	Partially fulfilled The perimeter forest shelterbelt has been planted, and the revegetation of the transformer station's 16 ha property remains pending
4	Reduce the height of the crossbeam of the first gantry and the length of the end loops of the guard cables	ENERSA	Pending
5	Paint transmission line pylons	ENERSA Citizen Participation Committee	Pending
6	Maintain the height of the grove under the shunt line	ENERSA TRANSENER	Fulfilled Ongoing activity
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	Fulfilled Ongoing activity
8	Health care center: steps for donation of land	Residents Support from ENERSA	Pending
9	Health care center: financing to build and equip the center	ENERSA	Pending ENERSA has funds reserved to fulfill this point
10	Supply of three-phase power: construction of infrastructure works to supply power	ENERSA	Partially fulfilled
11	Supply of three-phase power: adaptation of home connections	Residents who require this service	Pending To date, one resident requested the service and adaptations were made to his home connections
12	Improve public lighting	Superior Government of Entre Ríos Province 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 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 Municipality of Paraná (cooperation framework agreement for additional work in the El Brete neighborhood)	Pending
15	Road safety measures	Provincial Road Directorate (DPV)	Pending
16	Supplement and adjust request for a private natural protected area in the vicinity of the transformer station	Folonier family Support from ENERSA	Pending
17	Review implications of request to create private natural protected area	ENERSA Folonier family	Fulfilled
18	Engage consultant to design the Committee's operating procedures	ENERSA	Fulfilled
19	Form Committee and develop participation plan (procedures manual)	Residents ENERSA	Pending
20	Implementation of Citizen Participation Plan	Citizen Participation Committee	Pending
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  At the residents' request, ENERSA agreed to speak with the provincial press about the handling of information on the transformer station