

PUBLIC
SIMULTANEOUS DISCLOSURE

DOCUMENT OF THE INDEPENDENT CONSULTATION
AND INVESTIGATION MECHANISM

ELIGIBILITY DETERMINATION MEMORANDUM
REQUEST MICI-BR-2015-0093
BLUMENAU SUSTAINABLE MOBILITY PROGRAM

BR-L1272

This document was prepared by Victoria Márquez Mees, Director (MEC/MEC).

In accordance with the Access to Information Policy, this document is being made publicly available simultaneously with its distribution to the Board for Information.

CONTENTS

EXECUTIVE SUMMARY	1
I. THE PROJECT.....	2
II. THE REQUEST	2
III. MANAGEMENT’S RESPONSE	4
IV. ICIM ACTIONS	5
V. ELIGIBILITY ANALYSIS.....	6
VI. CONCLUSION.....	7

ANNEXES	
Annex I	Request
Annex II	Management's Response

ELECTRONIC LINKS	
DOCUMENTS ACCOMPANYING THE REQUEST	
1.	Technical report from the National Institute of Historical and Artistic Heritage – Analysis of the proposal for construction of the new bridge at the bend of the Itajaí-Açu River in Blumenau/SC http://www.iadb.org/Document.cfm?id=38498956
2.	Technical report of the Geology, Analysis, and Natural Resources Division, Municipal Citizen Defense Department, of 20 January 2014. [REDACTED]
3.	Technical report of the Geology, Analysis, and Natural Resources Division, Municipal Citizen Defense Department, of 14 February 2014. [REDACTED]
4.	Technical report of the Geology Division of the Municipal Planning Department, dated 15 April 2013. [REDACTED]
5.	Study of the impact of river flow on the actions to expand infrastructure on Beira Rio Avenue in Blumenau. http://www.iadb.org/Document.cfm?id=39923937
6.	Blumenau Pro-Bicycle Lanes Association (ABC), ABC Document, 02-2014, ABC Opinion 1-2014 – summary opinion on the pedestrian/bicycle lane on the new bridge in downtown Blumenau, dated 20 March 2014. http://www.iadb.org/Document.cfm?id=39924747
7.	State Department of Tourism, Culture, and Sports, Santa Catarina Culture Foundation, Office of the President, document 249/2015, fcc-GAB, 22 July 2015, Florianópolis-SC. [REDACTED]
DOCUMENTS OF THE INTER-AMERICAN DEVELOPMENT BANK	
8.	Project profile, Blumenau Sustainable Mobility Program. http://www.iadb.org/Document.cfm?id=35577172
9.	Loan proposal, Blumenau Sustainable Mobility Program, BR-L1272. http://www.iadb.org/Document.cfm?id=36945479
10.	Environmental and Social Management Report (ESMR), Blumenau Sustainable Mobility Program. http://www.iadb.org/Document.cfm?id=36260952
DOCUMENTS OF THE INDEPENDENT CONSULTATION AND INVESTIGATION MECHANISM	
11.	Mission Report. http://www.iadb.org/Document.cfm?id=39924694

Given their confidential nature, some documents cannot be disclosed.

EXECUTIVE SUMMARY

ELIGIBILITY DETERMINATION OF REQUEST MICI-BR-2015-0093 BLUMENAU SUSTAINABLE MOBILITY PROGRAM (BR-L1272)

On 21 August 2015, three residents of the city of Blumenau, in the state of Santa Catarina, Brazil, submitted a Request, as Requesters, and asked for their identity to be kept confidential.

In that Request, the Requesters allege that they will be harmed as a result of the possible construction of a bridge (“the Bridge”), at a site other than that originally envisaged in the “Blumenau Sustainable Mobility Program” (BR-L1272) (“the Program”). The Requesters allege that the new location proposed by the executing agency, the Municipality of Blumenau, was selected without undertaking any of the impact studies required in relation to historical and cultural heritage, roads, and effects on the area’s resident communities.

The Program is a sovereign guaranteed loan operation approved by the Bank’s Board of Executive Directors on 25 June 2012 as a multiple works program.

Pursuant to the provisions set out in Section G of the ICIM Policy (MI-47-3), and following an analysis of the relevant documentation, the ICIM Director concludes that the present Request **is ineligible**, since it does not meet several of the eligibility criteria specified by the Policy.

It is important to note that the eligibility process and the decision that has been reached do not constitute a judgment as to the merits of the issues raised in the Request; but it is exclusively an objective verification of whether or not the Request fulfills the formal eligibility criteria defined by the Policy for an ICIM case.

This determination is hereby being communicated to the Requesters, Management, the Board of Executive Directors, and other interested parties through the Public Registry. Following this action, the processing of Request ICIM-BR-2015-0093 will be deemed concluded.

I. THE PROJECT

- 1.1 The Blumenau Sustainable Mobility Program (BR-L1272) is an investment loan operation for a multiple works program in the Transportation Division. On 25 June 2012, the Bank's Board of Executive Directors approved the loan for up to US\$59 million (with matching local counterpart funding) to be granted to the Municipality of Blumenau in the state of Santa Catarina, with the sovereign guarantee of the Federative Republic of Brazil.
- 1.2 The program's objective is to rehabilitate and improve urban and transportation infrastructure, thereby helping to enhance the quality of life and the social and environmental conditions of Blumenau residents. The specific objectives of the operation are to: (i) improve mobility, urban accessibility, and road safety conditions; and (ii) support the city's sustainable development. These objectives will be attained by improving, expanding, and extending the integrated urban transit and nonmotorized transportation systems; building new transfer terminals; expanding, building, and rehabilitating urban roads and bridges in the structural and basic road systems; and implementing pedestrian walkways and bicycle paths. The definition of the design criteria and parameters for the individual projects aims to make infrastructure less vulnerable to weather phenomena. In addition, the program will include an institutional strengthening component aimed at promoting a sustainable, integrated urban mobility management system.¹
- 1.3 According to the Environmental and Social Management Report (ESMR),² the multiple works program involves nine main works. These include the construction of the new downtown bridge (*Ponte do Centro*) and road link between avenues Chile and Argentina (*Ponte do Centro*), which is seen as a continuous interconnection route in the Blumenau road system, separated by the Itajaí-Açu River. The same document notes that the location was chosen after studying six alternative sites, based on information relating to traffic volume, urbanization, aesthetics, urban development, and costs, among other things.
- 1.4 According to the Bank's Environment and Safeguards Compliance Policy (OP-703), the Program was classified as a category B operation and, based on project documentation, the operational policies identified for the Program are the Environment and Safeguards Compliance Policy (OP-703), the Access to Information Policy (OP-102), and the Involuntary Resettlement Policy (OP-710).

II. THE REQUEST³

- 2.1 On 21 August 2015, three residents of the city of Blumenau, in the state of Santa Catarina, Brazil, submitted a Request in relation to the Program, as Requesters, and asked for their identity to be kept confidential.

¹ Loan proposal, Blumenau Sustainable Mobility Program, BR-L1272.

² Environmental and Social Management Report (ESMR), Blumenau Sustainable Mobility Program, paragraphs 2.4, 2.18, and 2.19.

³ The Request is included in Annex I to this document.

- 2.2 In the Request, the Requesters allege that they will be harmed by the inclusion of a new *Ponte do Centro* project in the Program, at a different site than originally envisaged (see paragraph 1.3).
- 2.3 According to the Requesters, the new municipal administration has arbitrarily decided to change the bridge's location, without undertaking the required technical studies and ignoring the fact that the previous location planned for the bridge had been the result of more than 10 years of comprehensive studies of various mobility actions that also form part of the Program.
- 2.4 They also note that the new location is outside the framework of the city's Master Plan, and also the Blumenau 2050 Project,⁴ which was considered for the design of the Program.
- 2.5 The Requesters allege that the new design and location of the bridge will cause environmental damage and seriously interfere with the city's historical and cultural heritage. It will also have direct impacts on the population, stemming from increased vehicle traffic, for which the impacts have not been identified nor mitigation measures implemented. In support of these allegations, the Requesters are submitting a technical study performed by the National Institute of Historical and Artistic Heritage (IPHAN).
- 2.6 Specifically, the Requesters claim that they will experience effects in view of the fact that the Blumenau area is frequently hit by environmental disasters, floods and landslides and given the new location's vulnerability to disaster. They add that this risk is also apparent in the technical report issued by the Geology, Analysis, and Natural Resources Division of the Município of Blumenau's Geology Institute, which states that the proposed location is at high risk for disaster.
- 2.7 In terms of cultural heritage, the Requesters allege that the new location will damage the landscape and buildings designated as part of the city's historical heritage.
- 2.8 In relation to the road system, the Requesters allege that there are no studies on road impact for the region, and state that residents of the Ponta Aguda neighborhood will be adversely impacted by an increase in traffic (over 20,000 vehicles passing through the area per day), since the project does not include the actions needed to mitigate such impact. They also argue that, as residents of the street in which the new work is projected, they will be directly affected by the larger number of vehicles traveling along it, without measures being considered to guarantee the safety of local residents.

⁴ "Blumenau 2050. A consolidation of the studies conducted by the Municipal Urban Planning Department (SEPLAN) starting in the 1970s led to the Blumenau 2050 Urban Development Program. This program develops and establishes a set of land-use planning guidelines and projects, determines investment horizons and priorities, and acquaints the general population and interested investors with the potential offered by the city of Blumenau. The Blumenau 2050 project is divided into five core areas: (i) land use and occupancy; (ii) traffic circulation and transportation system; (iii) actions for economic development, tourism, and recreation; (iv) housing; and (v) rural regularization; and sanitation and environment. These five core areas are further divided into short-term (by 2015), medium-term (by 2030), and long-term (by 2050) time horizons for achieving the urban management and transportation goals, preserving historical sites, and revitalizing public services and municipal facilities." (Paragraph 1.4 of the loan proposal, Blumenau Sustainable Mobility Program, BR-L1272.)

- 2.9 In addition, during the ICIM mission to the affected area, the Requesters mentioned the existence of a series of irregularities in the public hearings held in connection with the Neighborhood Impact Study required for the new location.
- 2.10 The Requesters also notified the ICIM of the following legal actions: (a) Public Civil Inquiry SIG. 06.2015.00004176-0 (Notice ([*Portaria*] 0006/2015/05PJ/BLU) of the Fifth Prosecution Department of the Circuit Court of Blumenau, dated 26 May 2015; (b) Class Action 0304934-70.2014.8.24.0008, of 7 November 2014, and (c) Public Civil Action, filed by the State of Santa Catarina's *Ministério Público* [Attorney General's Office] on 26 August 2013.
- 2.11 In terms of contact with the Bank's Management, from September 2014 to April 2015 the Requesters maintained constant communication with the project team responsible for the Program, to inform it of their concerns. They also held a face-to-face meeting with the project team leader in Brasilia on 15 April 2015, where they raised their concerns and provided a variety of supporting documentation. Although the Requesters informed the ICIM of their satisfaction with the April meeting, in their Request they stated that they had not received any response from the Bank on the facts alleged.
- 2.12 The Requesters asked for their Request to be processed through the Consultation Phase and the Compliance Review Phase.

III. MANAGEMENT'S RESPONSE⁵

- 3.1 Pursuant to paragraph 21 of the ICIM policy, on 26 August 2015 the ICIM notified Management of the registration of Request MICI-BR-2015-0093 and forwarded the relevant documentation. In fulfillment of the 21-business-day deadline specified in the Policy, on 25 September 2015, the ICIM received a response from Management, which is summarized below.
- 3.2 As background, Management refers to the program's objective (see the section on the project for further information) and its approval by the Board of Executive Directors based on a representative sample, since it was an investment loan for a multiple works program. It also states that loan contract 2746/OC-BR and the guarantee contract were signed and entered into force on 22 August 2012. It adds that approval was given in accordance with the Bank's rules on loan operations for multiple works programs.
- 3.3 Management states that, under these rules, following the program's approval by the Board of Executive Directors, the executing agency may request authorization from the Bank to execute other works that are physically similar to those in the representative sample and use program funds to finance them. Nonetheless the inclusion of new works and the commitment of program funds are subject to the Bank's approval through the Country Office in Brazil.
- 3.4 In its response, Management informs the ICIM that, in February 2015, the Bank received a summary of the Bridge project in question from the Municipality of Blumenau, requesting that the work for a new road linking the streets Rua Alwin Schrader/Rua Itajai and Rua Paraguai/Rua Porto Rico on either side of the

⁵ Management's response is included as Annex II to this document.

Itajaí-Açu River be incorporated into the Program. Management states that the proposed location is different from the one analyzed during the Program's preparation missions.

- 3.5 Management considers that the Request is similar to two other Requests presented to the ICM in the past, and that, in its opinion, this one does not introduce new evidence or circumstances.
- 3.6 Lastly, Management states that it has strictly complied with the Bank's Access to Information Policy, when it did not make communications of a deliberative nature public; and it reiterates that the Bank is not financing the road link over the Itajaí-Açu River, which is the subject of the Request.

IV. ICIM ACTIONS

- 4.1 Pursuant to Section G of the ICIM Policy and according to the eligibility criteria set out in paragraph 22 thereof, the determination of eligibility analysis process followed the chronological sequence shown in Table 1:

Table 1
Chronology of ICIM actions

Date	Actions
21 August 2015	Receipt of Request.
24 August 2015	Granting of a maximum period of 10 business days for the Requesters to present additional information needed to process the Request.
24 August 2015	Receipt of additional information required from the Requesters.
26 August 2015	Registration of the Request and notification to the Requesters and Management.
8 August 2015	Meeting with the Bank's project team
25 September 2015	Receipt of Management's Response
21 - 25 October 2015	Eligibility mission to Blumenau, Brazil
26 October 2015	Issuance of Eligibility Determination Memorandum

- 4.2 As part of the eligibility determination process, the ICIM considered the information presented in the Request and the complementary information sent by the Requesters, along with Management's Response and Bank documents that are pertinent to this analysis. It also held a meeting with Management and undertook a mission to the project site.⁶
- 4.3 The ICIM thanks Management, the Requesters, and residents and experts of the city of Blumenau for the time they have devoted to the ICIM process and for the information provided.

⁶ The public documents analyzed, along with the mission report, can be accessed through the annexes and electronic links sections of this document.

V. ELIGIBILITY ANALYSIS

- 5.1 Having performed the corresponding analysis, the ICIM Director has determined that Request MICI-BR-2015-0093 **is not eligible** because it does not fulfill several of the eligibility criteria (specifically criteria 22(c) and 22(e)) set out in the ICIM Policy, as detailed below:
- 5.2 Paragraph 22(c) states that a “Request will be deemed eligible by the ICIM if it is determined that it describes the Harm that could result from potential noncompliance with one or more Relevant Operational Policies”. In terms of description of the harm, the ICIM Director finds that the Requesters have made a clear presentation of the potential harm they could suffer as a result of the change in the design and location of the Ponte do Centro.
- 5.3 In terms of potential noncompliance by the Bank with one or more of its Relevant Operational Policies, the ICIM has analyzed the relevant documents and confirms that, although the Bridge was considered by the Bank both in the ESMR and during the preparation missions, its new location, which is the cause of the complaint and the alleged Harm, has not been part of the Program thus far.
- 5.4 In its response, Management reports that, in February 2015, the Municipality of Blumenau put forward a proposal that considers the bridge in the location that is the cause of the complaint; but after the corresponding evaluation by the Bank, in March 2015, Management notified the Municipality that the documents presented did not fulfill the minimum technical requirements to be eligible for works financing under the Program, and that it therefore did not accept the inclusion of this project within it. Accordingly, the ICIM Director does not currently find a plausible connection between the Harm and a potential noncompliance by the Bank, and considers that criterion 22(c) has not been fulfilled.
- 5.5 Paragraph 22(e) states that a Request will be deemed eligible provided “none of the exclusions set forth in paragraph 19 of the Policy apply.” Specifically, paragraph 19(d) of the Policy states that neither the Consultation Phase nor the Compliance Review Phase will be applied to particular issues or matters raised in a Request that are under arbitral or judicial review in an IDB member country.
- 5.6 As mentioned above, the Request indicated that the new bridge project is the subject of several lawsuits and contrary opinions from different administrative bodies (see paragraphs 2.9 and 2.10). On this point, the ICIM considers that administrative decisions are not encompassed by the exclusion specified in paragraph 19(d) of the Policy, so their existence would not prevent the application of any of the ICIM phases to the present Request.
- 5.7 With regard to the Public Civil Inquiry, the ICIM notes that this is not a legal action filed by the Requesters internally with respect to matters related to the Request; rather, it is a prior administrative act that will enable the Attorney General’s Office to decide whether to file a public civil suit. Accordingly, the aforementioned exclusion relating to this action by the Attorney General’s Office does not apply to the present Request.
- 5.8 In the case of the class action of 7 November 2014, the ICIM notes firstly that the action was filed by over 250 signatories, including two of the three Requesters. The Request states that the impacts on the Punta Aguda neighborhood apply only

to two of the Requesters, who also form part of the group of people who filed the class action. In this case, although the class action has been filed by other people in addition to the Requesters themselves, the ICIM considers that any court decision thereon could have an effect on the specific processing of this Harm, as regards the two Requesters who allege it, in any future ICIM action.

- 5.9 Moreover, the class action concerns one of the topics related to the Request, namely the alleged existence of irregularities in the public consultation process relating to the August 2014 Neighborhood Impact Study. In this regard, there would be identity of cause, because the class action questions the legality and even the constitutionality of the public hearing—in other words, whether it was undertaken in accordance with the parameters established in Brazilian domestic law.
- 5.10 In view of the above, the ICIM considers that the exclusion specified in paragraph 19(d) of the Policy would apply to any potential activity, in any of its Phases, related to compliance with domestic law by the public hearings on the Neighborhood Impact Study, which the judge hearing the class action will rule on.
- 5.11 Accordingly, the Request would not be eligible because it deals with issues related to the legality of the public hearings, while the case remains open.
- 5.12 Lastly, the Public Civil Action of 26 August 2013 aims to investigate irregularities in the bidding processes for the new bridge project, which is not the subject of the Request and which, in any event, is outside the scope of the ICIM according to paragraph 19(a) of the Policy. Consequently, it cannot be considered for this Request and, therefore, the exclusion set out in paragraph 19(d) of the Policy would also not apply.
- 5.13 Lastly, in its Response, Management puts forward arguments relating to the application of exclusions and to the process of determining the eligibility of the Request, which, as they are outside the jurisdiction of Management and the objective of the Response (see paragraph 3.5), are not being considered by the ICIM.

VI. CONCLUSION

- 6.1 Pursuant to the provisions contained in section G of the ICIM Policy (document MI-47-3), the ICIM Director concludes that the present Request **is not eligible** because it does not fulfill several of the eligibility criteria required by the Policy.
- 6.2 This determination is in no way an evaluation of the merits of the Request and the issues raised therein.
- 6.3 This determination is hereby being communicated to the Requesters, Management, the Board of Executive Directors, and other interested parties through the Public Registry.

ANNEX I

REQUEST

REQUEST BR-L1272 – BLUMENAU SUSTAINABLE URBAN MOBILITY PROGRAM

██████████ resident and domiciled ██████████ in Blumenau ██████████
██████████ resident and domiciled ██████████ in Blumenau ██████████ and ██████████
██████████ resident and domiciled ██████████ in Blumenau ██████████ on their own behalf, and for the reasons described below, hereby present the facts and request the initiation of the procedure for the investigation of irregularities, consultation, and investigation of the contract in question.

They clarify that they will not be represented by a legal representative and request confidentiality, since the issues in question concern a public work and, therefore, it is advisable not to disclose their identities.

The Municipality of Blumenau, a city located in the state of Santa Catarina, Brazil, signed loan contract BR-L1272 with the IDB, to finance various sustainable urban mobility works. One of these works, which the município identified for inclusion in the program, is the new project for the bridge in downtown Blumenau, which is also being questioned through this Request.

This new downtown bridge project is the subject of several actions, both in and out of court, having also generated numerous debates and controversies during its troubled preparation. To clarify, the Mayor's Office took 10 years to debate and approve the location of the new downtown Blumenau bridge; nonetheless, after the municipal mayoral elections in 2012, and merely as a result of speculation during the electoral campaign, the current administration decided to alter the project and location of the bridge, without having performed any technical study.

As the old project for the new Ponte do Centro bridge formed part of a broader study, prepared in accordance, interaction, and integration with other mobility works that are also part of the BR-L1272 program, this change requested by the current administration clearly represents a “rupture” of harmony with all the other works. Moreover, this new work (new project) is not integrated into the city's Master Plan or the Blumenau 2050 Project, which was the project underlying the Blumenau Sustainable Urban Mobility Program.

Given these facts, the requesters sent wide-ranging documentation to the Bank and also held a meeting with Paulo Carvalho on 15 April 2015, in Brasília, at which they put forward their reasons, together with documents and statements from various professional associations, social movements, and others, all against the new project and the new location of the intended work (the bridge). All of this was also delivered and made known to the ICIM, through e-mail and teleconferences held on other occasions.

Incidentally, all of the documents and information presented to the Bank and to the ICIM concern irregularities in the architectural final designs of the new bridge, environmental irregularities, and serious interferences in the city's historical and cultural heritage, posing a serious threat to the local neighborhood. The documentation presented also

identifies errors and irregularities in the Neighborhood Impact Study that was performed, which, by the way, does not propose solutions for the impacts identified, including the environmental, road, heritage, and neighborhood impacts, among other serious issues that cast doubt on the integrity of the works and of social peace in the region.

This new project is the subject of several lawsuits, including those presented by the Attorney General's Office of the State of Santa Catarina, and objections from IPHAN, the Municipal Geology Department, and others.

Although the requesters have presented these documents and the information described above, no response has been received thus far from the IDB in relation to the facts alleged.

This violates the policy of transparency and safeguards guaranteed to all those involved—however indirectly—with the project and its implementation (works executed).

Similarly, all attempts to discuss the matter with the Blumenau Mayor's Office have been frustrated, because the local public administration refuses to receive the requesters for dialogue.

In view of the above, the requesters hereby present the facts and, given the undeniable violations of the guaranteed safeguards for the affected population, the environment, cultural heritage, and other areas, as well as the IDB's violation of due transparency and guarantee to uphold citizen safeguards, we ask that this request be initiated, to comply with the consultation and investigation phases, for the purpose of determining or clarifying the irregularities described above.

Annex. Supplement to the request sent by e-mail on Monday, 24 August 2015

Re: MICI-BR-2015-0093. Blumenau Sustainable Urban Mobility Program – Request for Information

Good afternoon and thank you for your attention.

In relation to the missing item, we wish to clarify the following:

14(f) – The damages that we will experience with the project and future works is as follows:

Environment: Blumenau is frequently affected by environmental disasters, floods, and landslides. The proposed work site is vulnerable, as made clear in the report of the Blumenau Municipal Geology Division, which states that the site is at high risk for disaster. Thus, the work would aggravate the environmental situation at the location and we will all suffer from the impacts in the next disaster to occur (every 1½ years on average).

Cultural and historical heritage:

[REDACTED] The work will affect the city's historical heritage, as emphasized by IPHAN. All of us, whether Blumenau residents or not, will lose this cultural landscape heritage; and parts of the building heritage will also be impacted, since our history is affected by the work;

Road system: There are no studies, and the new project does not have any explanation of the road impacts that will occur in the region; neighborhood residents are likely to be affected by over 20,000 vehicles passing through the region, without works being executed to mitigate excess traffic;

Impacts on the neighborhood: As residents of the street in which the new work is planned ([REDACTED]), we will have an increase in traffic volume, without any works to reduce the volume or measures to ensure the safety of local residents. Moreover, the work contravenes the city's master plan, and will cause negative impacts on all local residents.

We hope that with this information we have now fulfilled the remaining requirement.

We remain available to provide any further information or clarifications.

[REDACTED]

ANNEX II

IDB MANAGEMENT'S RESPONSE TO REQUEST MICI-BR-2015-0093 PRESENTED TO THE ICIM IN RELATION TO THE OPERATION "BLUMENAU SUSTAINABLE MOBILITY PROGRAM" (BR-1272)

MEMORANDUM

Filing classification: IDBDocs# 39872319

Date: 24 September 2015

To: Victoria Márquez-Mees, ICIM Director

From: Néstor Roa, INE/TSP Division Chief

CC: Vice President for Countries, Vice President for Sectors and Knowledge, Infrastructure Manager, Representative in Brazil, Chief of the Environmental and Social Safeguards Unit

Subject: Case MICI-BR-2015-0093 "Blumenau Sustainable Mobility Program" (BR-L1272). Management Response upon registration of the Request and comments on the ineligibility of the case for the Consultation Phase and for the Compliance Review Phase

1. Objective

The objective of this document is to respond to the ICIM request, dated 26 August 2015, which seeks an opinion from the Bank's Management on Request MICI-BR-2015-0093; and to provide the ICIM with arguments that Management considers relevant for demonstrating the ineligibility of the case, for both the Consultation Phase and the Compliance Review Phase.

2. Background

The objective of the program in question is to rehabilitate and improve urban and transportation infrastructure in the city of Blumenau, thereby helping to raise the living standards and socio-environmental conditions of its inhabitants.

The program was approved by the Bank's Board of Executive Directors on 25 June 2012, through Resolution DE-072/12 (loan proposal PR-3878), and consists of an investment loan for a multiple works program, in which the borrower is the Município of Blumenau and the guarantor is the Federative Republic of Brazil.

This operation is being financed by a loan from the Bank amounting to US\$59 million and matching local counterpart funding. The loan contract (2746/OC-BR) and the respective guarantee contract were signed by the parties and entered into force on 22 August 2012.

3. Management's response and comments

a. The bridge that is the subject of the requesters' complaint does not form part of the program financed by the Bank

Management considers it necessary to stress that the program in question was approved by the Bank's Board of Executive Directors, pursuant to the Bank's rules on loan operations for multiple works programs (Operations Processing Manual PR-202).

Loan contract 2746/OC-BR describes the works to be financed as part of the representative sample, in Component 2 of the program (which was presented to the Board of Executive Directors when the operation was approved, as required by the aforementioned PR-202). These works include the adaptation of the Aterro-Fonte corridor, construction of the northern terminal (*Terminal Itoupava Central*) and the western terminal (*Terminal Água Verde*), and the Bahia Street - BR470 highway link (*Complexo do Badenfurt*).

According to the rules applicable to loans for multiple works programs, once the program has been approved by the Bank, the borrower may seek the Bank's authorization to execute other works that are physically similar to those in the aforementioned representative sample, and to finance them from program funds. Nonetheless, the incorporation of these new works into the respective program, and the possibility for the borrower to commit resources from that program to execute them, require the Bank's prior approval, through the Bank's respective Country Office.

In this regard, Management hereby informs the ICIM that the Bank received a communication from the Municipality of Blumenau in February 2015, containing a summary of a project involving the bridge addressed in the requesters' complaint. The Municipality was seeking the incorporation of the special engineering work for the new road connection between Rua Alwin Schrader / Rua Itajaí and Rua Paraguai / Rua Porto Rico over the Itajaí-Açu River in program 2746/OC-BR, at a different location from that analyzed during missions to prepare the program approved by the Bank's Board of Executive Directors. **In response to this request, in March 2015, the Bank informed the Municipality of Blumenau, through its Country Office in Brazil, that, having reviewed the documents presented, it considered that they did not fulfill the minimum technical requirements for eligibility for the financing of works under program 2746/OC-BR and that, therefore, the Bank did not accept the inclusion of that project under the program financed by the Bank.**

b. The complaint filed by the requesters concerns an issue that has previously been reviewed by the ICIM, without new evidence or circumstances being presented

Management considers it important to state that the complaint filed by the Requesters is similar in content to other requests that have been the subject of two ICIM cases

[REDACTED]

4. Conclusion

In view of the above, the Bank's Management stresses to the ICIM that the Bank strictly complied with its Access to Information Policy, not having made public the communications containing information about deliberations between the Bank and the Municipality of Blumenau, and it reiterates that the Bank is not financing the road link over the Itajaí-Açu River, which is subject of complaint MICI-BR-2015-0093.