

MEMORANDUM

File classification: IDBDOCS#_____

Date: March __, 2016

To: Victoria Márquez-Mees, MICI Director

From: Sergio I. Campos G., INE/WSA Division Chief

Re: Request No. MICI-AR-2016-0097 referring to the “Norte Grande Provinces Development Program” (AR-L1136). Management Response to the Registration of the Request.

This is in reference to your February 11, 2016 email notifying the Management of the Inter-American Development Bank (“Management”) of the Registration of Request No. MICI-AR-2016-0097 (“Request”) by the Independent Consultation and Investigation Mechanism (“MICI”), and asking for Management’s response to the request [REDACTED]. [REDACTED] Argentina, in relation to the Bank-financed “Norte Grande Provinces Development Program: Water and Sanitation Infrastructure” (AR-L1136).

Based on paragraph 21 of the Policy of the Independent Consultation and Investigation Mechanism, document MI-47-3, I have addressed below the reasons why Management considers the Request to be without merit:

1. Program Background

- 1.1 On September 13, 2012, the Bank’s Board of Executive Directors approved the loan proposal for operation AR-L1136: “Norte Grande Provinces Development Program: Water and Sanitation Infrastructure” (“Program”).
- 1.2 On March 19, 2013, the Argentine Republic and the Bank entered into Loan Contract No. 2776/OC-AR to finance the Program.
- 1.3 The Program, as described on the Bank’s website, aims to improve the service and efficiency of the water and sanitation sector in Argentina’s Norte Grande provinces through the financing of projects that: (i) increase coverage and improve potable water and sanitary and stormwater sewerage services in unserved or underserved areas; and (ii) strengthen sector entities in the provinces, and improve service provider operational and financial efficiency and management.
- 1.4 As of the date of this memorandum, the Program is at the execution stage, with nearly 75% of the funds committed, and 27% disbursed. The Program is supporting specific projects such as the Castelli and Miraflores potable water projects in the Chaco Province, and the wastewater treatment plant and

pressure pipes in Santiago del Estero. Neither of these Program work projects has financed or created a need for resettlement in any area or town.

2. **Management Response and Comments to the Request**

2.1 On February 4, 2016, the Bank's Country Office in Argentina ("Country Representative for Argentina") received a note from the legal representative

[REDACTED]
[REDACTED] stating, among other things, that:

(a) the "South Stormwater Drainage" ("DPS") project— [REDACTED]
[REDACTED]—was causing harm to her clients, [REDACTED]
[REDACTED] and

(b) although they did not oppose the execution of the DPS project, her clients demanded to be provided with a satisfactory solution [REDACTED]

[REDACTED] Accordingly, the legal representative requested that the Bank intervene in order to give her clients a favorable response [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

2.2 On February 5, 2016 the Country Representative in Argentina replied to the above-referenced communication, providing a copy to the MICI, stating that **neither the DPS project nor [REDACTED] are Bank-financed.**

2.3 On February 9, 2016, however, the legal representative [REDACTED]
[REDACTED] sent another communication reiterating her complaint and request for the Bank to intervene to provide a favorable solution to her clients. The legal representative additionally stated that, according to the Environmental Impact Study (EIS) available on the Bank's website, she concluded that the DPS project was financed by IDB Loan No. 2776/OC-AR. In support of that allegation, the legal representative included the attached photograph (see Figure 1).

[REDACTED]

- 2.4 On February 11, 2016 the Country Office replied to that note, reiterating to the legal representative that the “South Stormwater Drainage” project **is not being executed or financed within the framework of Loan Contract No. 2776/OC-AR.**
- 2.5 On this point, for the MICI’s information, I would like to underscore that the Program financed by Loan Contract No. 2776/OC-AR consists of the construction of pressure piping and a wastewater treatment plant. The piping for this project, nevertheless, follows the route of calle Degano to Av. Independencia, then takes calle Solís and runs along Av. Alcorta to calle 503 and then, on the right bank of the Viano Canal, continues until it crosses Contreras López Canal, continuing along the canal to Progresiva 3010, where it crosses the South Stormwater Drainage Canal (referenced by the legal representative of the group of residents of the Almirante Brown neighborhood, but at a site very far from the Bank-financed project) toward the left bank. Figure 2, displayed below this paragraph, is a wider shot that shows the area specified by the legal representative [REDACTED]
- [REDACTED]
- [REDACTED]

- 2.6 In accordance with the above, Management reiterates that the Program financed by Loan Contract No. 2776/OC-AR does not include funding for the DPS project and [REDACTED]; the installation of the pressure piping is done underneath the public roads and the pumping stations and the wastewater treatment plant are being built on land belonging to either the company Aguas de Santiago S.A. or the municipality, where facilities of this type are already in operation. Therefore, the Request clearly lacks any basis, as the facts and harm alleged therein have no connection to the Program or the Loan Contract.

3. Conclusion

Based on the foregoing, for the purposes of Request MICI-AR-2016-0097, Management informs the MICI that the Bank is not financing the DPS project [REDACTED]; and that, consequently, there is no relationship whatsoever between the Bank-financed Program and the alleged potential harm to the Requesters by the DPS project that has given rise to the Request in question.

We remain available to clarify or expand upon the information required in relation to this case.

cc: Vice President of Countries
Vice President of Sectors and Knowledge
Manager of Infrastructure
Country Representative for Argentina
Chief of the Environmental Safeguards Unit