



**PROGRESS REPORT ON IDB MANAGEMENT'S ACTIONS TO ADDRESS ICIM
COMPLIANCE REVIEW REPORT RECOMMENDATIONS ON MAREÑA
RENOVABLES WIND PROJECT**

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I. BACKGROUND

- 1.1 In a meeting of the Policy and Evaluation Committee (PEC) of the Board of Executive Directors on September 14, 2016, in response to the Independent Consultation and Investigation Mechanism (ICIM), Report of the Compliance Review Phase for the Mareña Renewables Wind Project, Management proposed to prepare a work plan to address the recommendations in the document MI-32-6, taking into account the comments made by the aforementioned Committee. Furthermore, it was agreed that the Work Plan shall be presented to the Policy and Evaluation Committee (PEC) of the Board of Executive Directors.
- 1.2 On January 30, 2017, the IDB Work Plan to address the recommendations formulated by the ICIM in its Compliance Review Report on the Mareña Renewables Wind Project (Document MI-32-8, PR-3796-14) was presented in accordance with the decision adopted by the PEC at its August 30, 2016 meeting. The Committee took note of and approved the implementation of the Work Plan.
- 1.3 The document presented in Annex I, provides an update on Management's progress on implementing the Work Plan since the Committee was last briefed on July 20, 2017.

II. STATUS OF IMPLEMENTATION

- 2.1 The Work Plan has two areas of action: on the project level, related to status of the usufruct contracts and at the IDB corporate level, focused on strengthening capacity for applying IDB social safeguard policies, reviewing gaps and monitoring implementation of the World Bank's Policy framework; improving application of access to information policy; and defining options for improving the management of contextual risks. Work is almost completed in implementing the Work Plan.

III. USUFRUCT AGREEMENTS

- 3.1 Management has fulfilled the ICIM's recommendation and agreed with the client that the communities would be duly informed about the cancellation of the project. The client informed the communities of the cancellation and in June of 2017 extended an economic offer for bilateral early termination according to the contractual stipulations contained in the usufruct agreements.

A. Strengthening capacity for assessing and managing social impacts of projects

3.1 A series of technical notes have been developed to address the need for improving IDB practice in the area of social safeguards. They include:

a. Technical note on Meaningful Stakeholder Consultation.

i. The note describes principles and content that should be present for a consultation process to be considered “meaningful.” Included in the note is guidance on developing and implementing grievance redress mechanisms. The note is consistent with existing IDB environmental and social safeguards policies, and reflects experience and standards in Latin America and the Caribbean (LAC) as well as international good practice developed by international financial institutions, UN agencies, and national governments. It also provides tools for improved verification and documentation of consultation activities. While it is primarily intended for IDB staff in planning and implementing development projects, it is of relevance to project sponsors, executing agencies and consultants who are partnering with IDB. Between July and December 2017, the note was among the top 10 IDB publications accessed.

ii. Training activities external to the Bank included the development of a 5-week on-line training course. Approximately, 60 government officials from the LAC region took the course. In addition, the technical note on consultation was reviewed and discussed at two Regional Policy Dialogues (Caribbean RPD, October 2017 and Latin America RPD November 2017) on how to strengthen country level capacities on consultation. There was a strong interest expressed for the IDB to promote common approaches to public consultation in development projects.

b. Technical note on Social Impact Assessment (SIA). The note aims to provide guidance to practitioners and specialists on international good practice related to assessment and management of social issues, particularly those related to resettlement, indigenous peoples and gender. The note assists in judging quality and relevance of SIAs and integrating findings into project environmental and social management. The note is in final draft stage and will be published in mid-March. Training will be provided in 2018 to practitioners within the IDB and also to practitioners in the LAC region.

B. Reviewing of gaps of IDB Indigenous People’s Policy and implementation of World Bank’s new environmental and social policy framework

3.2 A preliminary gap analysis on IDB’s Indigenous People Policy has been conducted, showing alignment with the World Bank’s new environmental and social standard on indigenous peoples. The implementation of the new Environment and Social Policy Framework of the World Bank is expected to commence in June 2018. In the meantime, an exchange with the World Bank has been established and arrangements have been made for partnering in the development of guidance, training and other activities.

C. Improving consistency in the application of disclosure requirements

3.3 Procedures and processes for ensuring that the applicable environmental and social documentation are disclosed have been in place since July 2017 and are fully functional. The new convergence functionality “Environmental and/or Social Document Disclosure” has been effective in ensuring compliance with the disclosure requirements established in the Environment and Safeguards Compliance Policy (OP-703) and the Access to information Policy (OP-102).

D. Managing risk in environmental and / or social conflict situations

- 3.4 The technical note on Social Impact Assessment includes a robust discussion on contextual risk. It provides guidance on how to identify and assess pre-existing tensions or conditions, including how they may affect the project planning or implementation, and what steps may be taken to minimize adverse impacts on the project risks related to conflicts are being identified and taken into account as part of the due diligence process during project preparation.

ANNEX I.
PROGRESS REPORT ON IDB MANAGEMENT'S ACTIONS TO ADDRESS ICIM COMPLIANCE REVIEW REPORT RECOMMENDATIONS
ON MAREÑA RENOVABLES WIND PROJECT

ICIM Recommendation	Proposed IDB Action	Expected Completion Date	Status Report
Project level: <ul style="list-style-type: none"> Clarify and update information on website Clarify status of usufruct contracts 	For information only. IIC Domane: <ol style="list-style-type: none"> Information on IDB's website related to the operation clarified and updated Client confirmed that usufruct agreements are part of the assets of the lenders and are being maintained 	Q4 2016	Completed.
Strengthen capacity for assessing and managing social impacts of projects	1. Guidance Note and Training on Grievance Redress Mechanism	Q1 2017	Completed. The note has been drafted and incorporated as part of the note on <i>Meaningful Stakeholder Engagement</i> .
	2. a) Guidance Note and Training on Consultation b) Increase verification and documenting of consultation	Q1 2017	Completed.
	3. Guidance Note and Training on Social Impact Assessment	Q1 2018	In process.
	4. Guidance Note and Training on Application of Indigenous People's Policy	Q1 2018	In process. Integrated into draft <i>Social Impact Assessment</i> Note. Training will be offered through 2018.
Revise and update Policy on Indigenous Peoples (OP-765)	1. Review of gaps of IDB Indigenous People's Policy and implementation of World Bank's new environmental and social policy framework	Q1 2018	Completed. A preliminary gap analysis on IDB's Indigenous People's Policy has been conducted.
Access to Information Policy (OP-102)	1. Define procedures to ensure effective disclosure of environmental and social documents on IDB webpage	Q4 2016	Completed.
	2. Include IDB environmental and social disclosure milestones / red flags in Convergence	Q2 2017	Completed.
Managing risk in environmental and / or social conflict situations	1. Review of needs and options to better manage projects in contexts that present social and environmental conflicts	Q1 2018	In process. Management of contextual risks is integrated into draft <i>Social Impact Assessment</i> Note.