



PUBLIC
SIMULTANEOUS DISCLOSURE

DOCUMENT OF THE INDEPENDENT CONSULTATION AND
INVESTIGATION MECHANISM

ME-MICI002-2012

CASE CLOSURE

MAREÑA RENOVABLES WIND PROJECT

(ME-L1107)
(2644/OC-ME)

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

ELECTRONIC LINKS

1. Case record in the MICI Public Registry
<https://idblegacy.iadb.org/es/mici/complaint-detail-2014,1804.html?ID=ME-MICI002-2012>
2. Compliance Review Report (MI-32-6)
<http://www.iadb.org/document.cfm?id=40671371>
3. Final Decision of the Board of Executive Directors on the Compliance Review Report
<http://www.iadb.org/document.cfm?id=40671492>
4. IDB Management Proposed Work Plan to Address ICIM Compliance Review Report Recommendations on Mareña Renovables Wind Project (loan 2644/OC-ME) (MI-32-8)
<http://www.iadb.org/document.cfm?id=40877083>
5. Progress Report on IDB Management's Actions to Address ICIM Compliance Review Report Recommendations on Mareña Renovables Wind Project (loan 2644/OC-ME) (MI-32-12)
<http://www.iadb.org/document.cfm?id=EZSHARE-471196592-667>
6. Final Report on IDB Management's Actions to Address ICIM Compliance Review Report Recommendations on Mareña Renovables Wind Project (loan 2644/OC-ME) (MI-32-13)
<http://www.iadb.org/document.cfm?id=EZSHARE-471196592-692>

ABBREVIATIONS

Bank or IDB	Inter-American Development Bank
Board of Executive Directors	Board of Executive Directors of the Inter-American Development Bank
Management	The Bank Manager(s) responsible for the Mareña Renovables Wind Project (loan ME-L1107) or their delegate(s)
MICI Policy	Policy Establishing the Independent Consultation and Investigation Mechanism (document GN-1830-49), approved in February 2010 by the IDB Board of Executive Directors
MICI	Independent Consultation and Investigation Mechanism
Operation or Project	IDB operation 2644/OC-ME "Mareña Renovables Wind Project (ME-L1107)"

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I. BACKGROUND

- 1.1 On 26 December 2012, the Independent Consultation and Investigation Mechanism (MICI) received a Request pertaining to the “Mareña Renovables Wind Project,” approved by the IDB Board of Executive Directors on 23 November 2011 and financed under the Bank’s private sector window. The project consisted of the construction and operation of the 396 MW “Mareña Renovables Wind Power Project” in the La Ventosa region of the state of Oaxaca, Mexico. The project was to include two wind farms—“San Dionisio” and “Santa María”—and had five components: (1) erection of 132 Vesta V90 wind turbines with a capacity of 3 MW each; (2) construction of three substations; (3) construction of a 52 km transmission line; (4) installation of six docking stations to facilitate maritime access; and (5) civil engineering works such as the construction of new access roads and improvement of existing ones.
- 1.2 The Requesters¹ alleged actual and potential harm to their traditional culture and way of life in five respects: (1) system of self-government and physical integrity of the communities and their leaders; (2) land, territory, and resources; (3) way of life, cultural integrity, and traditional knowledge; (4) environment and biodiversity; and (5) food security and traditional subsistence economy.
- 1.3 The Request was processed under the procedures of the Policy Establishing the Independent Consultation and Investigation Mechanism approved by the Board of Executive Directors in February 2010. It was declared ineligible for the Consultation Phase on 1 February 2013 and transferred to the Compliance Review Phase.
- 1.4 The Board of Executive Directors approved the recommendation for an investigation at a formal meeting on 1 December 2014. The MICI processed the case in two stages, pursuant to the Transition Plan of 4 February 2015. The first stage of gathering documentation, visiting the project site, and preparing the draft report was conducted from January to September 2015 by the Compliance Review Panel of independent experts Mary Rose Brusewitz, Korinna Horta, and Mario Epstein. As her term of office at the MICI came to an end, the MICI Director assumed responsibility for finalizing the Compliance Review Report and submitting it to the IDB Board of Executive Directors for consideration in September 2016.

II. COMPLIANCE REVIEW REPORT

- 2.1 In its Compliance Review Report, the MICI found that Management had failed to comply with several requirements of the Environment and Safeguards Compliance Policy (OP-703), the Access to Information Policy (OP-102), and the Policy on Indigenous Peoples (OP-765).²
- 2.2 Taking into consideration the MICI’s findings regarding noncompliance with the Relevant Operational Policies and the particular circumstances of the case, the MICI submitted the following recommendations to the Board of Executive Directors for consideration:

¹ The original Request is available for consultation in the MICI Public Registry, which can be accessed from the Electronic Links section of this document.

² The public documentation on the case is available for consultation through the MICI Public Registry, which can be accessed from the Electronic Links section of this document.

Recommendations specific to the Mareña Renovables Wind Project
Create a separate registry for the Mareña Renovables Wind Project on the Bank's website and report the current status.
Publish the 22 documents subject to mandatory disclosure in the new registry.
Clarify with the Client the status of the usufruct contracts with the communities of San Dionisio, Santa María, Charis Ejido, and Zapata Ejido, and urge them to clarify the situation with the communities, particularly with the community of Santa María, which was in favor of the project and has been directly affected by its suspension.
General recommendations to the Bank
We suggest taking measures to enhance the framework of the Operational Policies in their social perspective. The Bank has either prepared or supported excellent sources of guidance and reinforcement in this regard, such as the document for which it provided funding to have translated into Spanish, entitled "Social impact assessment: Guidelines for assessing and managing the social impacts of projects," the purpose of which is to advise different actors on the best practices expected in social impact assessment and management processes, particularly in development projects; and the "Guidelines on consultation and stakeholder engagement in IDB projects," prepared by the Bank's Environmental Safeguards Unit in July 2013. These documents, among others, could serve as a guide for a review of the directives and potentially of the Environment and Safeguards Compliance Policy (OP-703).
Regarding the Access to Information Policy (OP-102), we suggest including the time line for the disclosure of certain documents consistent with the directives included in other Operational Policies with respect to the matter of disclosure. We additionally suggest the revision of Annex II of that policy to clarify that the disclosure list for private sector operations includes the framework for environmental and social assessment and management consistent with the definition provided in the Environment and Safeguards Compliance Policy (OP-703), in particular with regard to the environmental and social management plans.
In terms of strengthening observance of the Access to Information Policy (OP-102), we suggest that the Executive Auditor's Office perform an audit of disclosure practices, so that instances of noncompliance can be corrected in advance, thus affirming the Bank's commitment to transparency and access.
It should be noted that the language of the Policy on Indigenous Peoples (OP-765), unlike that of other policies, does not offer clear guidance on its application. Also, from the time of its approval, there has been significant evolution in the way in which projects involving indigenous communities are managed. Therefore, it would seem advisable to recommend that it be revised and updated in order to strengthen management capacity in this area.
Lastly, the project has shown that there are gaps in the standards of the Bank that offer guidance on how the Bank should operate in the presence of significant environmental and/or social conflicts. We suggest drafting a guide that will address these situations and enhance the Bank's response capacity in keeping with its mission to improve lives in the region.

III. DECISION OF THE IDB BOARD OF EXECUTIVE DIRECTORS AND SUBSEQUENT ACTIONS

- 3.1 The Policy and Evaluation Committee (PEC) of the IDB Board of Executive Directors met on 30 August 2016 to consider the Compliance Review Report, and its members expressed appreciation for the MICI's efforts. The PEC generally agreed with the spirit of the recommendations contained in the MICI report and urged Management to develop a work plan for implementing them.
- 3.2 On 14 September 2016, the Board of Executive Directors, meeting as the Committee of the Whole, took note of the PEC Chair Report and of the Compliance Review Report (document MI-32-6) and asked Management to prepare a work plan to implement the recommendations contained in the Compliance Review Report, taking into account the comments made by the PEC. The Board of Executive Directors also requested the MICI's support in this process.

- 3.3 The MICI reports that Management submitted a work plan to the Board of Executive Directors in January 2017, and two reports³ in March and August 2018, respectively, for approval. Management sent copies of the work plan and progress reports to the MICI at the time of their distribution to the Board of Executive Directors. Pursuant to the MICI Policy (document GN-1830-49) and the Access to Information Policy (OP-102), the MICI sent copies of the work plan and the reports to the Representative of the Requesters and released them to the public through the Public Registry.
- 3.4 During the implementation period of the plan, the MICI had the opportunity to comment on the content of the technical notes produced but did not monitor the implementation of any other activities envisaged in the plan.
- 3.5 Lastly, it should be noted that the Board of Executive Directors instructed the Bank's Office of Evaluation and Oversight to conduct an evaluation of the IDB Group's environmental and social safeguards, to assist in the operational policy gap analysis recommended by the MICI as part of its investigation.

IV. CLOSURE OF CASE PROCESSING BY THE MICI

- 4.1 As Management has issued its final implementation report in August 2018, the Board of Executive Directors is notified that the MICI will close case file ME-MICI002-2012 regarding the Mareña Renovables Wind Project (loan ME-L1107), once this report has been released to the Requesters, Management, and the public, thereby concluding the processing of this case.

³ The Work Plan, Progress Report, and Final Report on IDB Management's Actions can be accessed from the Electronic Links section of this document and in the case record.