



PUBLIC  
SIMULTANEOUS DISCLOSURE

DOCUMENT OF THE INDEPENDENT CONSULTATION AND INVESTIGATION MECHANISM

**ARGENTINA**  
**MICI-BID-AR-2019-0150**

**CONSULTATION PHASE ASSESSMENT REPORT**  
**CONDITIONAL CREDIT LINE FOR INVESTMENT PROJECTS (CCLIP)**  
**METROPOLITAN RAILROADS RECOVERY PROGRAM**  
**(AR-X1018)**

**COMPREHENSIVE IMPROVEMENT PROJECT FOR THE**  
**GENERAL ROCA RAILROAD:**  
**PLAZA CONSTITUCIÓN – LA PLATA BRANCH LINE**  
**(AR-L1158)**  
**(2982/OC-AR)**

This document was prepared by Gastón Aín, Consultation Phase Coordinator, and María Camila Barriga, Case Officer, under the supervision of Victoria Márquez-Mees, MICI Director.

This document is being made publicly available simultaneously with its distribution to the Board of Executive Directors for information.

## CONTENTS

### EXECUTIVE SUMMARY

I.	BACKGROUND .....	1
	A. Geographic and social context of the project .....	1
	B. The project .....	2
	C. The Request.....	4
	D. MICI process to date .....	6
II.	CONSULTATION PHASE .....	6
	A. Policy framework .....	6
	B. Assessment stage timeline .....	7
	C. Assessment methodology.....	7
III.	ANALYSIS.....	8
	A. Current issues and context .....	8
	B. The Parties' viewpoints.....	9
IV.	CONCLUSION.....	11
	A. Feasibility of initiating a Consultation Phase process.....	11
	B. Proposed methodology.....	12
	C. Resources required .....	13
	D. Tentative calendar .....	13

## LINKS

1. Request MICI-BID-AR-2019-0150 in the MICI-IDB Public Registry  
<https://www.iadb.org/en/mici/complaint-detail?ID=MICI-BID-AR-2019-0150>
2. Eligibility Memorandum for Request MICI-BID-AR-2019-0150  
<http://www.iadb.org/document.cfm?id=EZSHARE-845521730-74>
3. Profile of the Comprehensive Improvement Project for the General Roca Railroad: Plaza Constitución – La Plata Branch Line (AR-L1158)  
<https://www.iadb.org/Document.cfm?id=EZSHARE-1776940169-2>
4. Loan proposal for the Comprehensive Improvement Project for the General Roca Railroad: Plaza Constitución – La Plata Branch Line (AR-L1158)  
<https://www.iadb.org/Document.cfm?id=EZSHARE-339804259-24>
5. Environmental and social management report (ESMR) for the Comprehensive Improvement Project for the General Roca Railroad: Plaza Constitución – La Plata Branch Line (AR-L1158)  
<http://idbdocs.iadb.org/WSDocs/getDocument.aspx?DOCNUM=37887873>
6. Environmental and social impact study (ESIS) for works for underpasses 1 and 32 of the Comprehensive Improvement Project for the General Roca Railroad: Plaza Constitución – La Plata Branch Line (AR-L1158)  
<https://www.iadb.org/Document.cfm?id=EZSHARE-339804259-71>
7. Environmental and social management framework for the CCLIP for the Metropolitan Railroads Recovery Program (AR-X1018)  
<https://www.iadb.org/Document.cfm?id=EZSHARE-339804259-18>

## ABBREVIATIONS

Bank or IDB	Inter-American Development Bank
ESIS	Environmental and social impact study
MICI or the Mechanism	Independent Consultation and Investigation Mechanism of the IDB Group
MICI Policy	The Policy, approved by the IDB Board of Executive Directors in December 2014 and revised in December 2015, governing the work of the MICI regarding Requests related to operations financed by the IDB or the Multilateral Investment Fund (document MI-47-6)
OPDS	Organismo Provincial de Desarrollo Sostenible [Provincial Sustainable Development Agency]
Parties or Stakeholders	The Requesters, Management, the Borrower, the Client, and/or the Executing Agency, if applicable
Project	Comprehensive Improvement Project for the General Roca Railroad: Plaza Constitución – La Plata Branch Line (AR-L1158)
UEC	Unidad Ejecutora Central del Ministerio de Transporte [Ministry of Transportation Central Execution Unit]

## EXECUTIVE SUMMARY

The Comprehensive Improvement Project for the General Roca Railroad: Plaza Constitución – La Plata Branch Line (AR-L1158) is the first operation under the conditional credit line for investment projects (CCLIP) titled “Metropolitan Railroads Recovery Program” (AR-X1018). The operation is a specific investment loan for US\$300 million with a local counterpart contribution of US\$200 million. The borrower is the Argentine Republic, and the executing agency is the Ministry of Transportation, acting through its Central Execution Unit (UEC). Both the conditional credit line and operation AR-L1158 were approved by the Board of Executive Directors of the Bank on 12 September 2013. The latter is currently in execution.

The objective of the project is to support the renovation and electrification of the Plaza Constitución – La Plata branch line (52.6 km) of the General Roca Railroad to help reduce travel times and accident rates and improve the reliability and comfort of the service, thereby increasing the number of passengers using this means of transportation.

On 12 June 2019, the MICI received a Request concerning the project from a group of residents of La Plata, in the Province of Buenos Aires, Argentina. The Requesters asked to remain anonymous out of fear of reprisals. Once information found to be missing during the preliminary analysis by the MICI had been received, the Request was registered on 24 June 2019 under case number [MICI-BID-AR-2019-0150](#).

The Request refers to railroad works and civil engineering for the construction and future operation of the underpass on Avenues 1 and 32 of the city of La Plata, as planned in the project, and the impacts that electrification of the railroad will have on the community. The Requesters allege that the Bank has failed to comply with its operational policies, primarily OP-703 and OP-102, and that this is causing them actual and potential harm.

According to the Requesters, the works referred to do not comply with the Bank’s requirements in terms of environmental and social safeguards. They say that the environmental and social impact study was incomplete and did not include all the adverse impacts on the areas directly or indirectly affected by the project. In particular, the Requesters mention that the study does not consider the impact of traffic in the area, the adverse effects on stores along adjacent streets, the impact on the city’s cultural heritage due to the change to the historic layout, reduced pedestrian access to social services, etc. They also highlight the lack of meaningful public consultations prior to project definition, noncompliance with ordinances, urban codes, and current legislation, and the lack of information about the project as a whole.

The Requesters also anticipate potential harm owing to risks to personal safety at pedestrian crosswalks caused by the increased speed and frequency of trains resulting from electrification of the railroad. Additionally, they mention the economic impact on street-fronting businesses on adjacent streets that have been left without crossings as a result of the underpass. Lastly, the Requesters stated their interest in having the MICI process their Request through both the Consultation Phase and the Compliance Review Phase.

The Request was declared eligible on 23 August 2019. As a result of the transfer of the Request to the Consultation Phase, during the Assessment stage the MICI team held telephone and face-to-face meetings with the Requesters, IDB Management, and executing agency staff represented by officials from the Ministry of Transportation. A mission to the city of La Plata and the city of Buenos Aires also took place, in order to

analyze the feasibility of launching a MICI-facilitated dispute resolution process and identify the stakeholders' methodological preferences for the design of this forum.

IDB Management, the executing agency, and the Requesters informed the Mechanism of their wish to start a Consultation Phase process. Given the current electoral situation in Argentina, with elections at the national, provincial, and municipal levels, the Parties expressed their willingness to take part in this process once the national elections had been held, on 27 October 2019. The Requesters, the executing agency, and IDB Management all agreed that as of 27 October they would have more time available to take part in a MICI-facilitated dialogue and that there would generally be greater certainty as to the public authorities who would ultimately make decisions associated with the dialogue process to resolve the dispute described in the Request. Accordingly, they agreed that they would begin conversations in the framework of the Consultation Phase on 7 November in La Plata.

In terms of methodological preferences, efforts will be made to make the Consultation Phase process limited in duration and in the number of sessions, which should last two days each insofar as possible. The dialogue sessions will include the participation of a facilitator from the MICI roster of facilitation experts who will always be accompanied by at least one MICI officer.

## I. BACKGROUND<sup>1</sup>

### A. Geographic and social context of the project<sup>2</sup>

- 1.1 The Buenos Aires Metropolitan Region comprises the Autonomous City of Buenos Aires and 43 municipios and has an estimated population of approximately 15 million inhabitants.<sup>3</sup> It is the country's main production and consumption center, accounting for more than 40% of gross domestic product. The region covers an area of 18,088 square kilometers (equivalent to 1% of the country's total area).
- 1.2 In terms of land passenger transportation, travelers in the metropolitan region are estimated to make nearly 23.9 million trips by motor vehicle each day, with 13.4 million use private means of transportation, and 10.5 million use public transportation. The public transportation system comprises national, provincial, and municipal bus lines; the subway system; and the urban and suburban rail network.
- 1.3 The metropolitan region's urban and suburban passenger railroad system comprises seven lines with a total length of 831 kilometers extending from Buenos Aires into the surrounding conurbation. The railroad has a total ridership of 430 million passengers a year.<sup>4</sup> In general, the quality of rail service has been deteriorating significantly, owing to the age of the rolling stock and the condition of the infrastructure.
- 1.4 With a total of 546.68 kilometers of track, the General Roca line (or Roca railroad) is the longest rail line and that which transports the largest number of passengers (32% of total rail passengers), with 800 trains per day. The Roca railroad serves the southern and western part of the metropolitan region and is subdivided into five branches (three electrified and two diesel-powered). It has a total of 299 vehicular crossings (155 level crossings) and 146 pedestrian crossings, 70 stations, and signaling on 237.19 kilometers of line. (See Figure 1.)
- 1.5 Meanwhile, the Constitución – La Plata Branch Line (marked in yellow in Figure 1) connects the city of Buenos Aires from the Plaza Constitución terminal station and the municipios of Avellaneda, Quilmes, Berazategui, and La Plata along its 52.6-kilometer length. The branch line comprises a total of 19 stations, and approximately 50 trains per day run between Plaza Constitución and La Plata; a further 50 trains a day run between Plaza Constitución and Berazategui, bringing the total to approximately 100 trains per day in each direction. According to official figures, this railway corridor transports 37 million passengers per year. Travel along the corridor is primarily for work and education, as the city of La Plata is considered the political and administrative hub of the Province of Buenos Aires.

---

<sup>1</sup> Information taken from the Bank's website and public documents on the operations concerned.

<sup>2</sup> The sources of information used in this section are available in the electronic links section.

<sup>3</sup> Instituto Nacional de Estadística y Censos [National Statistics and Census Institute] (INDEC), national population, household, and housing census 2010.

<sup>4</sup> Source: ENMODO, Household Mobility Survey, Survey of Origin and Destination, Buenos Aires Urban Transport Project (PTUBA), Office of the Transportation Secretary.

Figure 1.  
General Roca Railroad Network



Source: Unidad de Gestión Operativa Ferroviaria de Emergencia [Rail Operations Emergency Management Unit] (UGOFE).

- 1.6 The Buenos Aires-La Plata corridor has seen a significant rise in the number of journeys by motor vehicle (public or private) in recent years, resulting in the congestion of streets, avenues, and highways and increased travel times. Despite the railroad's having a higher operating speed (37 kilometers per hour compared with 10 kilometers per hour for motorized transportation during the rush hour) and its own exclusive track, its low frequencies (one train every 24 minutes between the Plaza Constitución and La Plata stations at peak times), which translates into long wait times between trains, and lack of reliability (with most cancellations and delays occurring during peak hours when demand for the system is highest, mainly as a result of the age of the locomotives and infrastructure), make it unattractive. The branch line also has problems with passenger comfort levels and the high accident rate. The poor comfort level is due to heavy occupancy, and the accident rate is associated with moving trains and collisions with vehicles at level crossings.

## B. The project

- 1.7 The Comprehensive Improvement Project for the General Roca Railroad: Plaza Constitución – La Plata Branch Line (AR-L1158) is the first operation under the conditional credit line for investment projects (CCLIP) titled “Metropolitan Railroads Recovery Program” (AR-X1018). The CCLIP was created to meet the need for a long implementation period and ongoing investments to address the needs of the Buenos Aires Metropolitan Region passenger railroad network. Both the conditional credit line and operation AR-L1158 were approved by the Board of Executive Directors of the Bank on 12 September 2013. The objective of the CCLIP is to support the Government of Argentina in recovery of the metropolitan railroads, contributing to the improvement of public transportation services in the Buenos Aires Metropolitan Region. The terms of the CCLIP are: a utilization period



- of 10 years and a total amount of US\$1.5 billion, with US\$1.2 billion financed by the IDB and a local counterpart contribution of US\$300 million.
- 1.8 The Comprehensive Improvement Project for the General Roca Railroad: Plaza Constitución – La Plata Branch Line (AR-L1158) is a **specific investment loan** for US\$300 million, with a local counterpart contribution of US\$200 million. The guarantor is the Argentine Republic, and the executing agency is the Ministry of Transportation, acting through its Central Execution Unit (UEC). The operation is currently in execution.
  - 1.9 The project's specific objective is to support the renovation and electrification of the Plaza Constitución – La Plata branch line (52.6 km) of the General Roca Railroad to help reduce travel times and accident rates and improve the reliability and comfort of the service, thereby increasing the number of passengers using this transportation option.
  - 1.10 The proceeds of the loan are financing two components: **Component 1. Engineering and administration (US\$10.3 million)**, including technical, economic, and socioenvironmental studies, and bidding documents for works execution and systems related to the project, together with project administration and auditing.
  - 1.11 **Component 2. Works, supervision, and technical support (US\$489.7 million)**, consists of the construction, upgrading, and supervision of rail and track infrastructure and installations. Specifically, this component includes the electrification of the rail line and construction of two high-traffic vehicle underpasses in the city of La Plata. It also includes a subcomponent financing prevention, mitigation, and compensation measures for works construction, as provided in the respective environmental and social management plans.
  - 1.12 The Bank's Environment and Safeguards Compliance Policy (Operational Policy OP-703) categorizes CCLIPs as a flexible lending instrument for which the ex ante classification of environmental impacts is not feasible. Consequently, no environmental classification of the program is required.
  - 1.13 The first individual loan has been classified as a category "B" operation, since: (i) the nine subprojects will be executed on the railroad's existing route, which is surrounded by densely built up areas; (ii) the potential adverse impacts will be associated principally with the construction phase and will generally be of medium magnitude, limited in scope, reversible, and temporary; and (iii) the mitigation measures to be adopted are well known and easily implemented. It was also considered that the project would have no adverse impact on historical heritage areas or protected natural areas.
  - 1.14 The social risks identified by the Bank are associated principally with social disputes related to the potential adverse impacts of the new vehicle underpasses (increased traffic, noise, losses suffered by businesses due to changes in vehicle traffic patterns, etc.).
  - 1.15 The environmental and social tools developed during preparation of the project and the first operation include: (i) a strategic socioenvironmental assessment of the environmental, social, and occupational impacts associated with the CCLIP projects, in the context of the plans, programs, and policies applicable to the railroad system in the Buenos Aires Metropolitan Region; (ii) an environmental and

social management framework developed for the entire project cycle (design, construction, operation, and maintenance) with the objective of ensuring proper implementation and management of the program as well as the first individual loan, and compliance with the relevant environmental laws and the applicable Bank policies; and (iii) the environmental and social management report for the first operation, which includes an evaluation of the potential environmental and social impacts and occupational risks of the Plaza Constitución – La Plata branch line and the corresponding environmental and social management plan, which presents a number of measures to be implemented in order to prevent, mitigate, and/or offset such impacts and risks, including a communication and consultation plan to be implemented during the project design and implementation stages.

- 1.16 It should be noted that the requirements of the environmental and social management report and the environmental and social management framework stipulated that the subprojects within the project that are classified as being high or moderate environmental and social risk would require an environmental and social impact study, the specific scope of which would depend on the complexity of the work to be executed. It was also stipulated that prior to bidding for the subprojects, the Bank's no objection to the environmental and social impact evaluations and resettlement plans would need to be obtained.
- 1.17 Accordingly, the Environment and Safeguards Compliance Policy (OP-703), the Disaster Risk Management Policy (OP-704), Operational Policy on Gender Equality in Development (OP-761), the Involuntary Resettlement Policy (OP-710) and the Access to Information Policy (OP-102), were established as the applicable operational policies.
- 1.18 According to the Bank's systems, 87.46% of the project's resources had been disbursed as of September 2019.

### **C. The Request**

- 1.19 On 12 June 2019, the MICI received a Request concerning the project from a group of residents of La Plata, in the Province of Buenos Aires, Argentina. The Requesters asked to remain anonymous out of fear of reprisals. In its preliminary analysis, the MICI identified that the Request did not include all the information necessary for its registration. Thus, pursuant to the MICI-IDB Policy, on 18 June the MICI granted the Requesters 10 working days to complete the information. The MICI received the necessary information within the stipulated period, so proceeded to register the Request with case number [MICI-BID-AR-2019-0150](#).
- 1.20 The Request refers to railroad works and civil engineering for the construction and future operation of the underpass on Avenues 1 and 32 of the city of La Plata, as planned in the project, and the impacts that electrification of the railroad will have on the community. The Requesters allege that the Bank has failed to comply with its operational policies, primarily OP-703 and OP-102, and that this is causing them actual and potential harm.
- 1.21 According to the Requesters, the works referenced do not comply with the Bank's requirements in view of the lack of full environmental and social impact studies covering all the negative impacts on the community. Specifically, they state that the lack of studies is such that the project did not obtain an environmental impact statement from the provincial sustainable development agency (OPDS). The

Requesters note that the studies do not currently consider the impact of traffic in the area, the adverse effects on stores in neighboring streets, the impact on the city's cultural heritage due to the change to the historic layout, inconvenience for the residents of the area, etc. They also highlight the lack of meaningful public consultations prior to project definition and the lack of available information about the project as a whole. As regards national legislation, they say there has been a breach of ordinances, urban codes, and legislation in force in the city of La Plata and the Province of Buenos Aires. In particular, they add that the work did not obtain approval from the La Plata city council.

- 1.22 In relation to the actual and potential harm, the Request sets forth a series of allegations. First, it includes allegations concerning safety. The Requesters mention a lack of information on safety and preventive measures to avoid future accidents, as the construction of this work will involve a new turnaround in precisely the area of the main gas pipeline that supplies the city of La Plata and neighboring towns. According to the Request, the pipeline may age over time or be affected by vibrations from vehicle traffic. On this point, they highlight that Argentine legislation prohibits gas mains from being buried under roads.
- 1.23 The Requesters also note that the lack of road safety measures following electrification represents a risk at the nine pedestrian crossings in the city. According to the Requesters, in the area where they live, pedestrians (particularly women and children), cross the tracks continually to reach the three primary schools, kindergarten, first aid post, and police station. They also highlighted that the closing of vehicle crossings along the boulevard would increase the traffic flowing through the underpass on Avenues 1 and 32, and raise vehicle speeds. Consequently, the risk of accidents and the danger for the neighborhood's residents and users of the green spaces would be increased.
- 1.24 Second, they mention negative impacts on La Plata's sensitive social and environmental areas as the work would not be carried out solely within the current track width but would also affect areas alongside it. One particularly important zone affected is the green boulevard, declared "Public National Historical Heritage," which is slated for elimination. In general, the project will alter the planned layout of the city, which has been studied and recognized worldwide for its design.
- 1.25 Third, they point to the environmental impact of the removal of trees in the area, which is considered the "green lungs" of the city, which is near an oil refinery and which was completely flooded in April 2013. On this point, the Requesters believe there should have been a public hearing involving residents, and the authorization of the provincial sustainable development agency (OPDS).
- 1.26 Lastly, they mention the potential harm to businesses on Street 2 due to the closing of the crossing required for the construction and operation of the underpass. The Requesters also mentioned that they had not received any information about the second underpass but were concerned about its potential impact on mobility in the city.
- 1.27 The Requesters said they had not contacted Management or the executing agency for fear of reprisals. They also made allegations in the Request of prohibited practices and corruption associated with the bidding process for the works. They said they sent a report of corruption and prohibited practices to the IDB Office of Institutional Integrity (OII) by email.

- 1.28 Lastly, in the supplementary information the Requesters stated their interest in having the MICI process their Request through both the Consultation Phase and the Compliance Review Phase.

**D. MICI process to date**

- 1.29 Table 1 lists the main actions taken by the MICI since receipt of the Request.

**Table 1.  
Timeline of MICI actions to date**

<b>Date</b>	<b>Actions</b>
<b>2019</b>	
12 June	Receipt of the Request
18 June	Notification of the extension for the Requesters to comply with certain requirements
20 June	Telephone call with the Requesters and receipt of additional information
24 June	Registration of the Request and notification of the Requesters and IDB Management
10 July	Meeting with project team
12 July	Telephone call with the Requesters
16-20 July	Eligibility Determination Analysis mission to the city of Buenos Aires and the city of La Plata in the Province of Buenos Aires to hold meetings with the Requesters, the executing agency, and Management
25 July	Receipt of Management's response
26 June to 23 August	Document review and desk work
15 August	Receipt of supplementary information on the Request
23 August	Issuance of Eligibility Memorandum

**II. CONSULTATION PHASE**

**A. Policy framework**

- 2.1 The Independent Consultation and Investigation Mechanism is governed by the MICI-IDB Policy (document MI-47-6), approved by the Board of Executive Directors of the IDB on 16 December 2014 and updated in December 2015. Pursuant to that policy, Requesters may choose the Consultation Phase, the Compliance Review Phase, or both. When both options are selected, the Process begins with the Consultation Phase.
- 2.2 The Consultation Phase aims to provide a flexible, consensus-based forum in which the Parties have the opportunity to address the issues raised in the Request. It is based on a series of methods that foster impartial, equitable treatment of all Parties involved in the process. This phase is also governed by the Consultation Phase Guidelines (document MI-74), which aim to facilitate, complement, and operationalize the effective application of Section H of the MICI-IDB Policy, and, particularly, paragraphs 24 to 35 thereof.
- 2.3 The Consultation Phase comprises three sequential stages: Assessment, Consultation Phase Process, and Monitoring. The Policy establishes the purpose and time limits for each stage. The objective of the Assessment stage is to

determine if conditions are favorable for initiating a dispute resolution process. This stage is designed to achieve an in-depth understanding of the context of the project that gave rise to the Request and the central topics that the Parties could address in a potential Consultation Phase process. Views are exchanged with the Requesters, the executing agency, and Management to determine whether or not it is feasible to initiate that process. Lastly, this phase should identify the individuals who could represent the Parties as well as their preferred methodologies for a potential process.

- 2.4 The purpose of the Consultation Phase process is to reach an agreement between the Parties in response to the issues raised in the Request and addressed over the course of the MICI Process, reinforcing the Bank’s commitment to comply with its relevant Operational Policies.

**B. Assessment stage timeline**

- 2.5 Pursuant to paragraph 29 of the MICI-IDB Policy, the maximum term for the Assessment stage is 40 business days from the date of distribution of the Eligibility Memorandum to the Board of Executive Directors. The following activities took place during the assessment stage of this case:

**Table 2.**  
**Timeline of assessment stage activities**

Date	Actions
2019	
27 August	Telephone call with project team leader and IDB Environmental and Social Safeguards Unit specialist
	Telephone call with Requesters
24 August to 28 September	Review of program documents and their context
2-5 September	MICI assessment mission. Bilateral meetings were held with the Requesters, the IDB project team, and staff of the executing agency.
25 September	Assessment report of the Consultation Phase issued

**C. Assessment methodology**

- 2.6 Pursuant to the MICI-IDB Policy and the Guidelines for the Consultation Phase, during the Assessment stage the team reviewed documentation and context information, conducted phone and in-person interviews, and visited the cities of Buenos Aires and La Plata. The main objectives of these activities were to study the project context, to jointly analyze the feasibility of a Consultation Phase Process with the Parties, to determine the topics that a potential Process would cover, and to ascertain the Parties’ methodological preferences for a potential dialogue.
- 2.7 During the document review, the team also analyzed several relevant documents, including: the Request and its attachments; the conditional credit line for investment projects (CCLIP) agreement, the project profile, the project loan proposal, the loan contract, the environmental and social studies, and the CCLIP Environmental and Social Management Framework.

- 2.8 During the Assessment stage, the MICI team held telephone meetings before the mission and face-to-face meetings during the mission with the Requesters, the IDB project team leader, and the Bank's environmental and social safeguards team. A meeting was also held with executing agency staff. A full-day workshop was also held with the Requesters. Overall, the meetings and workshops with the parties aimed to explain clearly the scope and objectives of the Consultation Phase, analyze together the conditions and availability to start a dialogue process, and clarify methodological and technical aspects, and the standard rules in Consultation Phase processes.

### III. ANALYSIS

#### A. Current issues and context

- 3.1 **The issues.** Starting from the points raised in the Request and the analysis conducted during the Assessment stage, a series of issues were identified that could be addressed by the Parties in a potential dispute resolution process. During the workshop with the Requesters a joint analysis of the conditions and willingness to start a dialogue process was conducted, and a draft thematic agenda for validation with the IDB and the executing agency was produced. The draft agenda prepared at this session was presented to IDB staff at an informal meeting facilitated by the MICI with the objective of evaluating the availability, thematic scope, and methodological considerations with view to a potential forum.
- 3.2 The draft agenda includes a series of issues that have components relating to providing information, sharing views, and potentially jointly exploring solutions to the issues raised. The issues revolve around physical and road safety as the priority area, the changes to the layout of the city, and the impact on its heritage and environment.
- 3.3 First, the possibility of exploring preventive and safety measures for pedestrians at the nine pedestrian crossings currently existing between the Tolosa and La Plata stations was raised, followed by an exchange of views on the impacts and possible mitigation measures for the potential "division" or separation of the city resulting from the works. Third, it was proposed that consideration be given to whether there would be a negative impact on the tax value of street-fronting properties, as well as possible impacts on businesses along Street 2 as a result of reduced pedestrian traffic between Tolosa and the city center.
- 3.4 Fourth, the impact on mobility of the new layout's moving vehicle traffic from Street 1 to Streets 4, 6, 7, and 8 would be added as an issue to be discussed. Following the topic of mobility, the modifications to the original layout of La Plata and its implications in terms of historical heritage would be included. Fifth, the effects of the works on the recreational green space where access ramps will be built, and the environmental impact of the potential increase in traffic through the underpass. Lastly, the safety concerns regarding the pedestrian subway, which primarily affect women and children, would be discussed, and views exchanged on the risk of flooding in the case of heavy rains and the measures available in the event of an emergency of this kind.
- 3.5 During the first dialogue session the parties would have the opportunity to validate the final agenda with the topics and agree on the order of business.

- 3.6 **Background and current context.** From the analysis of documents and media, and as a result of the discussions during conversations with the Parties, the current dispute goes back to late 2016 when some of the Requesters found out about the planned construction of an underpass on Avenues 1 and 32 as part of the railroad electrification project. Residents of the area subsequently filed various requests with the provincial and national government concerning the plans.
- 3.7 In May 2019, the Requesters submitted a complaint to the IDB Group's Office of Institutional Integrity. This complaint included allegations concerning prohibited practices in the context of the project. Finally, in early June 2019, they submitted their Request to the MICI, including the issues described in section I.C.
- 3.8 The current situation is characterized by national, provincial, and municipal elections. National primary elections were held in the Province of Buenos Aires and the city of La Plata on 11 August 2019. General elections are due to be held on 27 October 2019. In the case of the election of the country's president and vice president, Argentine electoral legislation provides for the possibility of a second round, which is not the case for provincial and municipal elections. This year, if a second round takes place at national level, the election would be held on 24 November 2019. The incoming authorities will take office on 10 December 2019.

## **B. The Parties' viewpoints**

- 3.9 In accordance with the definition given in the MICI-IDB Policy, the Parties for the Consultation Phase process are the Requesters, the executing agency, and IDB Management.
- 3.10 **The Requesters.** The Requesters highlighted the cultural and historical importance of the city of La Plata, and the need for measures to ensure the physical safety of persons traveling in the area in the vicinity of the works. Thus, in the Request the Requesters expressed their concern about the impacts of the work on their physical safety, access to services, mobility in the area, their economic activities, heritage, environment, and the urban design of the city.
- 3.11 Accordingly, the Requesters highlighted that it is essential for there to be measures to prevent risks to the physical safety of people using the pedestrian crossings between the Tolosa and La Plata stations. The Requesters mentioned that with diesel trains, the accident rate at these crossings was already high. With the electrification of trains, if appropriate safety measures were not put in place, they said that the risk of accidents could rise significantly. There was also a perception of lack of safety regarding pedestrian traffic through the underpass that is being built. The Requesters stated that pedestrian safety would be affected, particularly that of women and children.
- 3.12 In terms of access to services, the Requesters said that the division of the city caused by works would hinder access by the area's residents, particularly older adults, to schools, hospitals, and clubs. They also said that recreational green spaces would be lost due to the construction of the access ramps. However, as regards mobility, they indicated that the change to the traffic intersection on Street 1 where Avenue 32 crosses Streets 4, 6, 7, and 8 resulting from the new layout would have a significant impact on travel times.

- 3.13 Regarding the property values and economic activities, the Requesters highlighted that it would be necessary to have measures preventing the potential loss of tax value of the street-front properties. At the same time, they highlighted that the reduced pedestrian flow toward the center of Tolosa, particularly Street 2, would result in a loss of economic activity for the businesses located there.
- 3.14 As regards the environmental impacts, the Requesters noted that the increase in traffic frequency through the underpass would increase noise and air pollution. They also mentioned that there would be a risk of flooding during storms, made worse by the fact of occasional power outages. Lastly, they mentioned that the works would harm the historical layout of the city of La Plata, which is considered historical heritage, and would affect the green belt that institutions including the IDB have recognized as being of historical interest.
- 3.15 The Requesters expressed their willingness to start a Consultation Phase process facilitated by the MICI.
- 3.16 **Executing agency.** The Ministry of Transportation, as executing agency, expressed its commitment to executing the work and the project as a whole. In this regard, they indicated that the requisite environmental and social impact study had been conducted and had been approved by the municipal environmental authority. The officials expressed their willingness to share the information on the social and environmental impacts of the work and its mitigation measures and to answer any queries the Requesters might have.
- 3.17 In terms of consultations, Central Execution Unit officials said that, in following up the environmental and social impact study (ESIS) on underpass 1 and 32, a public consultation was held in 2016 that included an institutional consultation workshop with the municipal authorities, college of engineers and architects, the Universidad Nacional de La Plata, and a citizens' dialogue with the city community. The objective of the two events was to make the public aware of the work and create a forum for people to express their concerns. It was mentioned that the results of the consultations were included in the ESIS posted on the executing agency's website. It was also noted that in 2018 the communications area of the La Plata municipal government ran a survey involving 2,610 interviews with residents of areas near the underpass on Avenues 1 and 32. The sample of interviews focused on the residents of Barrio Tolosa and on the vicinity of the La Plata station and Plaza Moreno. The survey was intended to measure residents' level of awareness about the work and their opinion of it.
- 3.18 As regards impact management, it was pointed out that the work would not interrupt residents' access to social areas and public services, given that access would remain possible via nearby streets. On the subject of the removal of trees, the executing agency explained that it had drawn up a reforestation plan that would transplant and relocate 24 of the 78 specimens removed. The Central Execution Unit (UEC) would plant 270 new trees to compensate for the remaining 54.
- 3.19 The Ministry of Transportation, through the UEC, stated its willingness to take part in a MICI-facilitated dialogue process to jointly explore solutions to the problems raised.



- 3.20 **IDB Management.** The Bank's Management team expressed its commitment and agreement with the executing agency on the matter of the environmental and social safeguards. In this regard, Management expressed its interest in understanding the Requesters' concerns in more detail and sharing information on the management of the environmental and social impacts of the work. It also highlighted its willingness to jointly explore measures to find solutions to these concerns.
- 3.21 In terms of project development, the IDB highlighted that there was an environmental and social impact study for the work, which had been posted on the Bank's website in 2013. This study includes the social and environmental impacts detected in relation to the work and their mitigation measures.
- 3.22 In the context of the ESIS, Management mentioned the two consultation and interaction exercises with residents of the city of La Plata held since 2016. The project team mentioned the institutional consultation workshop and the public dialogue session, as well as the survey by the communications area of the La Plata municipal government, which required preparatory meetings between the municipal team and the Ministry of Transportation.
- 3.23 In the case of the removal of trees, Management highlighted that the work did not envisage removing all the trees. According to the IDB, the work would only affect 78 of the 253 specimens located in the area affected. Accordingly, a reforestation plan is in place, as stated by the executing agency.
- 3.24 Management also mentioned that meetings were held on two occasions with different groups of neighbors in the city of La Plata in early 2019. The project team said that local residents had visited the IDB Country Office to express concerns similar to those in the Request. As a result of the meetings, the IDB advised the local residents to address the UEC to obtain more detailed information and the Bank's Office of Institutional Integrity to deal with the issues concerning potentially corrupt practices.
- 3.25 Lastly, IDB Management expressed its willingness to take part in a Consultation Phase process with MICI facilitation.

#### **IV. CONCLUSION**

##### **A. Feasibility of initiating a Consultation Phase process**

- 4.1 In accordance with paragraph 29 of the MICI-IDB Policy and based on the Assessment stage analysis of the allegations presented in the Request and the Parties' willingness to address the problems through the channel of conflict resolution, it has been determined that conditions are favorable for initiating a MICI-facilitated Consultation Phase process.
- 4.2 Pursuant to paragraph 30 of the MICI Policy, this assessment report will be distributed to IDB Management, the Requesters, and the executing agency on 25 September 2019 and to the Board of Executive Directors once its English translation is available, and it will be subsequently released to the public through the MICI's Public Registry.

## **B. Proposed methodology**

- 4.3 As established by the MICI-IDB Policy and the Guidelines for the Consultation Phase (document MI-74), the Consultation Phase process will be flexible, consensus-based, and tailored to the specific issues raised in the Request. The methods used are adapted on a case-by-case basis according to the needs of the process, but always in accordance with the provisions of the MICI-IDB Policy and the Guidelines. As a result of the assessment and its dialogue with the Parties, the MICI has developed a proposed methodology that integrates several elements.
- 4.4 **Dialogue sessions.** The Consultation Phase process will seek to be limited in duration and in the number of dialogue sessions, in view of the agenda items and progress of the operation. Given the current electoral context in Argentina, with national, provincial, and municipal elections under way, the Parties expressed their willingness to participate in a dispute resolution process exploring solutions to the problems raised in the complaint once the national elections have been held on 27 October 2019. The Requesters, the executing agency, and IDB Management all agreed that as of 27 October they would have more time available to take part in a dialogue facilitated by the MICI and that there would be greater certainty as to the public authorities who would ultimately make decisions associated with the dialogue process to resolve the dispute described in the Request. Accordingly, they agreed that they would begin conversations in the framework of the Consultation Phase on 7 November in La Plata.
- 4.5 The first round of the dialogue will have three main objectives. The first will be to validate the procedural rules enabling the sessions to proceed efficiently and the case to be handled effectively. The second will be to agree and validate the topics that will be included on the final agenda and the order of business. The last will be to begin discussion of the topics on the final agenda.
- 4.6 The sessions' participants will always include a facilitator from the MICI roster and at least one MICI officer. The facilitator will propose specific procedural rules for the meetings to the Parties for their approval. In this case, the facilitator will be Mr. Bautista Logioco, who has over 15 years' professional experience in the analysis, prevention, and handling of conflicts, and in mediation and dialogue in over 10 countries of Latin America, Africa, and Asia.
- 4.7 **Representation.** The persons representing the Parties at the dialogue sessions will have decision-making authority and will ensure that they are present during the entire process. The Requesters will be represented by the individuals who signed the Request. The executing agency will be represented by a delegation comprising at least three Ministry of Transportation officials and a technical manager from the UEC. Lastly, IDB Management will be represented by the project team leader and at least one representative from the Environmental and Social Safeguards Unit.
- 4.8 **Meeting location.** The Parties agreed that the sessions would take place in La Plata, as it is the location of the works and place of residence of the Requesters. However, the Requesters said they were open to holding future sessions alternately at another location.
- 4.9 **Meeting documentation.** The MICI will keep a detailed record of the topics discussed and the commitments made at each session. This record will be formalized in the meeting minutes, which will be shared only with the Parties to the

MICI Process. At the beginning of each session, the minutes from the previous meeting will be read and the Parties' comments will be received. The MICI will be responsible for analyzing those comments and drafting the final version of the minutes.

- 4.10 **Dissemination of information and press relations.** The Parties have agreed to maintain the confidentiality of the process and not disseminate associated information in media outlets or on social media, at least until the Consultation Phase process has resulted in an agreement or commitment.

**C. Resources required**

- 4.11 In light of the proposed methodology, the MICI will require the following resources for the Consultation Phase process: a professional facilitator with experience in planning and implementing conflict resolution processes, who will be tasked with facilitating the work sessions to help build trust between the Parties and seek to reach agreements that address the issues raised in the Request; a limited number of missions to Argentina by one or two MICI officers, to participate in dialogue sessions; and rental of a suitable physical location for hosting dialogue sessions, as well as logistic support services for the meetings to proceed smoothly.

**D. Tentative calendar**

- 4.12 Pursuant to paragraph 31 of the MICI Policy, the MICI will complete the Consultation Phase process within a maximum period of 12 calendar months. However, based on the information included in this report, it believes that the dialogue stage will have a duration of approximately four months from the date of issue of this report.