



PUBLIC  
SIMULTANEOUS DISCLOSURE

DOCUMENT OF THE INDEPENDENT CONSULTATION  
AND INVESTIGATION MECHANISM

**MICI-BO-2014-0079**

**CASE CLOSURE**

**DRAINAGE IN THE MUNICIPIOS OF LA PAZ AND EL ALTO**

**(BO-L1028)**

**(2440/BL-BO)**

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In accordance with the Access to Information Policy, this document is being released to the public and distributed to the Bank's Board of Executive Directors simultaneously.

#### ELECTRONIC LINKS

1. Case Record in MICI's Public Registry  
<https://idblegacy.iadb.org/en/mici/complaint-detail-2014,1804.html?ID=MICI-BO-2014-079&language=English>
2. Compliance Review Report (MI-44-8)  
<http://idbdocs.iadb.org/wsdocs/getdocument.aspx?docnum=EZSHARE-92946236-1179>
3. Report of the Chairperson of the Policy and Evaluation Committee (MI-44-9)  
<http://idbdocs.iadb.org/wsdocs/getdocument.aspx?docnum=EZSHARE-92946236-1178>
4. Transition Plan (MI-48-1)  
<http://idbdocs.iadb.org/wsdocs/getdocument.aspx?docnum=39428565>
5. Final Report on IDB Management's Actions to Address MICI Compliance Review Report Recommendations on Drainage in the Municipios of La Paz and El Alto (Loan 2440/BL-BO) (MI-44-10)  
<http://www.iadb.org/document.cfm?id=EZSHARE-92946236-1210>

## **ACRONYMS AND ABBREVIATIONS**

Bank	Inter-American Development Bank
Board of Executive Directors	Board of Executive Directors of the Inter-American Development Bank
Management	The Bank manager or managers in charge of the “Drainage in the Municipios of La Paz and El Alto (BO-L1028)” or any delegate thereof
MICI	Independent Consultation and Investigation Mechanism
MICI Policy	Policy of the Independent Consultation and Investigation Mechanism (MI-47-6)
Operation	Operation 2440/BL-BO “Drainage in the Municipios of La Paz and El Alto (BO-L1028)” of the IDB
Program	Drainage in the Municipios of La Paz and El Alto (BO-L1028)

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## **I. BACKGROUND**

- 1.1 On March 26, 2014, MICI received a Request related to the Drainage in the Municipios of La Paz and El Alto Program. The Request was linked to three Bank-financed operations for the design and implementation of a La Paz Storm Drainage Master Plan: Technical Cooperation ATN/JC-8537-BO, Program BO0223, and Multiple Works Program BO-L1028 which financed, among other components, drainage system improvement works in the area where the Requester's business is located.
- 1.2 The Request<sup>1</sup> alleged that the 12-month road closures caused by the works had a negative impact on the Requester's business. In particular, it stated that the duration of the works was longer than what residents had been told and that, because of the erroneous information, the Requester had not taken the necessary precautions to deal with the drop in sales resulting from customers' lack of access to the business.
- 1.3 The Request, received under the Policy Establishing the Independent Consultation and Investigation Mechanism (GN-1830-49), was declared ineligible for the Consultation Phase, as the Requester was not in disposition to participate (the Requester had asked for confidentiality for fear of retaliation). Consequently, on July 21, 2014, the case was transferred to the Compliance Review Phase.
- 1.4 During MICI's processing of this Request, on December 15, 2014 the Board of Executive Directors approved the new MICI Policy (MI-47-6) and gave instructions for its immediate enforcement. In addition, in order to clarify how legacy cases would be handled, the Transition Plan of February 4, 2015 was also approved, which determined that compliance review would apply to this case in accordance with the newly approved MICI Policy.
- 1.5 The investigation was approved by the Board of Executive Directors in December 2016, and was initiated on February 1, 2017, when the Compliance Review Panel was formed. The Compliance Review Report (MI-44-8) was submitted to the Board of Executive Directors in January 2018.

## **II. THE COMPLIANCE REVIEW REPORT**

- 2.1 In its Compliance Review Report, MICI concluded that Management had failed to comply with directives B.5 and B.6 of the Environment and Safeguards Compliance Policy (OP-703).<sup>2</sup>

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1 The original Request is available for consultation through 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.

Policy Directive	Conclusions on compliance
<b>OP-703 B.5</b>	The Bank <b>failed to comply</b> with Directive B.5, since it did not verify that the environmental assessment and management plans for the work complied fully with the Policy's requirements, given that it did not make certain that the environmental analysis of the work included an identification of its impact on the local business owners, nor, consequently, were any effective mitigation measures established.
<b>OP-703 B.6</b>	The Bank <b>failed to comply</b> with Directive B.6, since it did not consult the affected population; it <b>complied</b> with the requirement to keep the parties informed during program execution with regard to the mitigation measures established in the environmental and social management plans.

- 2.2 Taking into consideration MICI's findings of noncompliance with the abovementioned Operational Policy and the particular circumstances of the case, MICI submitted the following three recommendations for consideration by the Board of Executive Directors:

<b>Recommendation 1.</b>	That the Board of Executive Directors ask Management to clarify the scope for the Bank to address situations involving actual or potential Harm resulting from noncompliance with the Relevant Operational Policies.
<b>Recommendation 2.</b>	That Management report to the Board on how the work to strengthen the Bank in the area of societal engagement and public consultation is influencing projects, for example BO-L1114.
<b>Recommendation 3.</b>	That information about the MICI be included at the project level to inform both the executing agencies and the public in the project target area about its existence and processes.

### III. DECISION OF THE BANK'S BOARD OF EXECUTIVE DIRECTORS AND SUBSEQUENT ACTIONS

- 3.1 The Policy and Evaluation Committee (PEC) of the Bank's Board of Executive Directors held a meeting on January 25, 2018 to consider the Compliance Review Report, at which the members thanked MICI for the Report and its recommendations, and Management for its remarks. The Directors supported the three recommendations presented by MICI and expressed interest in the implementation of the recommendations by Management, indicating that Management would submit a periodic report to the Committee to provide updates on the progress of recommendations 2 and 3. On February 14, 2018, the Board of Executive Directors considered and approved the Report of the Chairperson of the PEC at a General Committee meeting, recommending the approval of the three recommendations contained in the Report and their implementation by Management.
- 3.2 The Board of Executive Directors did not consider it appropriate to ask Management to develop an Action Plan in consultation with MICI (see paragraph 47 of the MICI Policy). Therefore, there has been no place in this case for the monitoring role that paragraph 49 of the MICI Policy provides for the Mechanism.

- 3.3 MICI reports that on October 1, 2018 Management submitted to the Board of Executive Directors a final report<sup>3</sup> on IDB Management's actions to address the above recommendations. For purposes of transparency, and in agreement with Management, MICI is making the report available to the Requester and the general public through the Public Registry, but its disclosure does not entail any monitoring action by this Mechanism.

#### **IV. CLOSURE OF THE CASE BEFORE MICI**

- 4.1 In view of the foregoing, the Board of Executive Directors is informed that MICI will be closing case file MICI-BO-2014-0079 relating to the Program "Drainage in the Municipios of La Paz and El Alto (BO-L1028)" following the disclosure of this report to the Requesters, Management, and the general public.

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3 The Final Report on IDB Management's Actions can be accessed from the Electronic Links section of this document.