DOCUMENT OF THE INDEPENDENT CONSULTATION AND INVESTIGATION MECHANISM

ARGENTINA
MICI-BID-AR-2022-0188

CONSULTATION PHASE ASSESSMENT REPORT
RECONQUISTA RIVER BASIN ENVIRONMENTAL SANITATION PROGRAM – REQUEST V
(AR-L1121)
(3256/OC-AR)

This document was prepared by María Camila Barriga, Consultation Phase Specialist, and Gastón Aín, Consultation Phase Coordinator, under the supervision of Andrea Repetto Vargas, MICI Director.

This document is being made publicly available simultaneously with its distribution to the Board for information.
<table>
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| 1. | Policy of the Independent Consultation and Investigation Mechanism (MICI-IDB Policy, document MI-47-8)  
   | https://www.iadb.org/document.cfm?id=EZSHARE-525549286-365                                |
| 2. | Case file of Request MICI-BID-AR-2022-0188 in the MICI-IDB Public Registry  
   | https://www.iadb.org/document.cfm?id=EZSHARE-614558978-47                                   |
|   | https://www.iadb.org/document.cfm?id=EZSHARE-614558978-46                                   |
| 4. | IDB Management Response to Request MICI-IDB-AR-2022-0188 regarding the Reconquista River  
   | Basin Environmental Sanitation Program – Request V (loan AR-L1121)  
   | https://www.iadb.org/document.cfm?id=EZSHARE-614558978-57                                     |
| 5. | Eligibility Memorandum on Request MICI-BID-AR-2022-0188  
   | https://www.iadb.org/document.cfm?id=EZSHARE-614558978-66                                     |
| 6. | Profile for the Reconquista River Basin Environmental Sanitation Program (loan AR-L1121)  
| 7. | Loan proposal for the Reconquista River Basin Environmental Sanitation Program (loan AR-L1121)  
   | https://www.iadb.org/Document.cfm?id=38866413                                               |
| 8. | Environmental and social management report for the Reconquista River Basin Environmental  
   | Sanitation Program (loan AR-L1121)  
   | https://www.iadb.org/Document.cfm?id=38151058                                               |
| 9. | Environmental and social safeguards compliance procedures manual for the Reconquista River  
   | Basin Environmental Sanitation Program (loan AR-L1121)  
| 10. | Environmental and social impact assessment for the “Sewer Systems” project, Moreno District,  
    | Buenos Aires Province  
    | https://www.iadb.org/Document.cfm?id=EZSHARE-735565658-167                                   |
# ABBREVIATIONS

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>Bank or IDB</td>
<td>Inter-American Development Bank</td>
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<tr>
<td>COMIREC</td>
<td>Comité de la Cuenca del Río Reconquista [Reconquista River Basin Committee]</td>
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<tr>
<td>MICI</td>
<td>Independent Consultation and Investigation Mechanism of the IDB Group</td>
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<tr>
<td>MICI Policy</td>
<td>Policy approved by the Board of Executive Directors of the IDB 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 MIF (document MI-47-6)</td>
</tr>
<tr>
<td>Parties</td>
<td>The Requesters, Management, the borrower, the client and/or the executing agency, if applicable</td>
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<tr>
<td>PGICRR or Comprehensive Management Plan</td>
<td>Plan de Gestión Integral de la Cuenca del Río Reconquista [Reconquista River Basin Comprehensive Management Plan]</td>
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<tr>
<td>Program</td>
<td>Reconquista River Basin Environmental Sanitation Program (loan AR-L1121)</td>
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<tr>
<td>Project or Works</td>
<td>Branch Sewer Systems in Moreno: Catonas IV South, Section 2</td>
</tr>
<tr>
<td>SCEOCI</td>
<td>Subsecretaría de Coordinación con Estados y Organismos de Crédito Internacionales del Ministerio de Economía de la Provincia de Buenos Aires [States and International Credit Agencies Coordination Branch of the Ministry of Economy of the Province of Buenos Aires]</td>
</tr>
<tr>
<td>UCEPO</td>
<td>Unidad de Coordinación y Ejecución de Proyectos de Obra del Ministerio de Infraestructura de la Provincia de Buenos Aires [Works Coordination and Execution Unit of the Ministry of Infrastructure of the Province of Buenos Aires]</td>
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EXECUTIVE SUMMARY

The Reconquista River Basin Environmental Sanitation Program (loan AR-L1121) ("the Program") is financed by the Inter-American Development Bank (IDB or "the Bank") through a sovereign guaranteed loan operation under the multiple-works modality for a total amount of US$230 million with US$57.5 million in local counterpart funding. The borrower is the Province of Buenos Aires, with the Argentine Republic acting as guarantor. The executing agency is the Provincial Ministry of Economy's States and International Credit Agencies Coordination Branch (SCEOIC), and the Ministry of Infrastructure's Works Coordination and Execution Unit (UCEPO) is the subexecuting agency. The operation was approved by the Board of Executive Directors on 23 July 2014 and is now in implementation.

The program aims to restore the environmental quality of the basin by implementing a Reconquista River Basin Comprehensive Management Plan (PGICRR) that prioritizes investments aimed at those living in health risk areas. The works financed by the Program include the "Branch Sewer Systems in Moreno: Catonas IV North and South" ("the Project"), to be built in the Moreno District in the river's middle basin, which are the subject of the Request.

The Project involves building a system of sewers and collectors up to a discharge point at an existing collector for final conveyance to an effluent treatment plant and is divided into two zones: "Catonas IV North" or "Section 1" will provide sewer services to approximately 12,000 residents (3,650 house connections) and was completed in November 2020; "Catonas IV South" or "Section 2" will provide sewer services to approximately 13,000 residents (3,100 house connections). The Bank reports that work on Section 2, where the MICI Group of Requesters reside, has been halted since June 2020, with overall physical progress of 39%.

On 8 July 2022, the Independent Consultation and Investigation Mechanism (MICI) received a Request from a group of 60 residents of Villa Anita, Moreno District, Buenos Aires Province. The Moreno District Attorney has supported the Group of Requesters in filing their claim with the MICI, after they initially contacted his office to make inquiries about the works. The Group of Requesters first contacted the MICI in May 2022. However, there had been no prior contact with IDB Management, so the MICI did not register the complaint and forwarded it to Management.

The Request alleges harm to the Group of Requesters’ quality of life and access to public services, as well as degradation of public spaces, as a result of the halt in construction work on Section 2 of the Project. Specifically, it alleges that the abrupt halt of the works left sidewalks and garages broken, and construction materials abandoned. The Group of Requesters also claim economic harm because, as a result of the work stoppage, some of them have had to directly bear the costs of contracting for sidewalk repairs and cleanup of building materials abandoned by the firm. The Request also mentions the lack of specific public information on the current status of the works, as well as the absence of a timeline for the resumption of work and future completion of the Project. The Group of Requesters also asked the MICI to process their Request through the Consultation Phase and the Compliance Review Phase.

The Request was declared eligible on 12 September 2022, launching the Assessment Stage of the Consultation Phase. As part of this review, the MICI team met virtually with the Bank's Management, UCEPO and the Reconquista River Basin Committee (COMIREC) as executing agencies, and the Group of Requesters.
During the Assessment Stage, the Group of Requesters emphasized their support for the work and the urgent need to complete it. They stated that the work stoppage has harmed their living conditions, since the construction firm had left sidewalks and garages broken after starting construction of the branch sewer lines feeding into the main. According to the Group of Requesters, several residents have had to pay directly for the repair of sidewalks and garages and cleanup of building materials. The Group of Requesters also said they expected the work to improve their living conditions. Consequently, they expressed frustration that the work had been halted, and no specific information was forthcoming on its status and resumption.

UCEPO and COMIREC stated that the work has indeed stopped, and they had reached an agreement with the contractor firm to terminate the contract. The termination agreement is under review by the provincial oversight authorities. The executing agency noted that a new work cannot be tendered until the termination agreement is final. It has also received several requests for information from the Moreno District Attorney’s Office regarding the status of the works and has responded in a timely manner and provided the requested information. Even so, UCEPO and COMIREC stated their willingness to share information on progress and answer any questions arising as part of a Consultation Phase Process.

Lastly, IDB Management said it had met virtually with the Group of Requesters and representatives of the executing agency on 24 June 2022 in response to the complaint initially forwarded by the MICI. Management said it had shared information about the work and its current status during the meeting. In conversations with the MICI during the Assessment Stage, Management reported that, together with the executing agency, it was doing what is necessary to advance the bidding process for the works to resume, once the process of terminating the current contract is complete.

IDB Management, the executing agency, and the Group of Requesters all expressed to the MICI their willingness to initiate a Consultation Phase Process. The Parties have agreed that the first MICI-facilitated dialogue session will take place on 7 December 2022 in the Moreno District. For that first meeting, the MICI will make a physical venue available to the Parties where they all feel comfortable, hold preparatory meetings to organize the agenda and rules of participation, and facilitate exchanges through a team of MICI specialists.
I. BACKGROUND

A. Geographic and social context

1.1 The Reconquista River Basin is located in the Province of Buenos Aires and is comprised of 134 watercourses within an area of approximately 1,670 square kilometers, spanning 18 municipios with a total population of more than 4.6 million. The basin is divided into three sections: (i) the upper basin from the confluence of the La Choza and Durazo Streams in the municipio of General Rodríguez to the Ingeniero Roggero Dam and its artificial lake (San Francisco Lake); (ii) the middle basin from Roggero Dam to Las Catonas and Morón Stream; and (iii) the lower basin from Morón Stream to its mouth at the Luján River in the municipio of Tigre. In terms of economic activity and land use, agriculture and livestock predominate in the upper basin, and the middle and lower reaches are characterized mainly by industrial and commercial activities.

1.2 The Reconquista River is considered one of Argentina’s most severe cases of pollution, along with the Matanza River, because the watercourse has become a receiving body for industrial and household effluents (mainly due to a lack of sewer services) and urban solid waste produced in the inhabited and industrialized areas of the river basin. Also located in the basin are 30 open air dumps and the country’s largest sanitary landfill, which serves 22 municipios in the Autonomous City of Buenos Aires and its metropolitan area.

1.3 In terms of industrial pollution, the pollutants that have the highest impact are organic in nature, caused by effluents discharged from slaughterhouses (cattle, sheep, hogs, and poultry), dairies, tanneries, and textile, alcoholic beverage, and

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1 Information retrieved from the Bank’s website and from public documents on the operation.
soft drink manufacturers. The main sources of inorganic pollution are tanneries (chromium), electroplating (chromium, copernicium, cadmium, and nickel), rechargeable battery factories (lead), and chemical manufacturers (phenols, mercury, complex organic compounds, and acids and bases that alter the pH of the receiving watercourse).

B. The program

1.4 The Reconquista River Basin Environmental Sanitation Program (loan AR-L1121) is the third operation financed by the IDB in relation to the river basin. The Bank finances the Program through a multiple-works investment loan for a total amount of US$230 million with US$57.5 million in local counterpart funding. The Argentine Republic is the guarantor, and the borrower is the Province of Buenos Aires. The executing agency is the Ministry of Economy’s States and International Credit Agencies Coordination Branch (SCEOCI), and the Ministry of Infrastructure is the subexecuting agency, acting through its Works Coordination and Execution Unit (UCEPO). The operation was approved by the Bank’s Board of Executive Directors on 23 July 2014 and is now in implementation.

1.5 The operation was designed on the basis of two criteria: (i) address the priorities for the basin identified by the Province of Buenos Aires; and (ii) supplement and expand the actions not carried out under a prior loan approved by the IDB in relation to the river basin (loan 797/OC-AR). To address these criteria, the Program seeks to develop the Reconquista River Basin Comprehensive Management Plan (PGICRR, “Comprehensive Management Plan,” or “the Plan”), which will include prioritized actions for the basin and a sample of projects to be executed in the first five-year cycle with the Program resources.

1.6 The general objective of the Program is to restore the environmental quality of the river basin by implementing four components. Component I, Water and sanitation (US$58.3 million), includes the construction and rehabilitation of water supply networks and sanitary sewer systems, including wastewater collection, transport, and treatment. Component II, Solid waste (US$7.2 million), includes the development of comprehensive management plans for the basin’s municipios and the closing and remediation of three open air dumps. Component III, Roadways, accessibility, and drainage (US$93.3 million), includes investments in road infrastructure and supplementary works (road construction, engineering works, lighting, signage, multipurpose path, paving, repaving of intra-urban streets, waterworks for storm drainage, and others). Lastly, Component IV, Environmental and social management (US$73 million), will finance the program’s environmental and social management actions.

1.7 In terms of social and environmental risk, the Program was classified as category “A” under the Environment and Safeguards Compliance Policy (Operational Policy OP-703) because families living in flood-prone areas had to be resettled. The Bank reports that it prepared a comprehensive environmental and social impact assessment during Program preparation with an environmental and social management plan that included the public consultation reports, as well as an

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2 In 1993, the Board of Executive Directors approved the “Reconquista River Sanitation” project (loan AR0038, 797/OC-AR), completed in 2006. The “Sustainable Environmental Management Program for the Reconquista River Basin” was approved in 2010 (technical-cooperation operation AR-T1083, ATN/OC-12571-AR).
environmental and social impact assessment, environmental and social management plan, and public consultation plan and report for each of the works awarded and in implementation. Lastly, there is a safeguards procedures manual that sets out the environmental and social management guidelines for the interventions to be financed under the Program and was updated in 2021.

1.8 The specific works giving rise to the Request submitted to the Independent Consultation and Investigation Mechanism (MICI) are the “Branch Sewer Systems in Moreno: Catonas IV North and South” (“the Project”) being built in the Moreno District in the river’s middle basin. The Project involves building a system of sewers and collectors up to a discharge point at an existing collector for final conveyance to the Catonas effluent treatment plant.

1.9 Regarding the potential impacts of the Project, the environmental and social impact assessment found that the negative impacts would be associated with the construction stage. According to the study, these impacts would be low or medium, local in scope, short-term, and either reversible or mitigable.

1.10 As its name indicates, the Project was divided into two zones: “Catonas IV North” or “Section 1” will provide sewer services to approximately 12,000 residents (3,650 house connections) and was completed in November 2020; “Catonas IV South” or “Section 2” will provide sewer services to approximately 13,000 residents (3,100 house connections). The Group of Requesters who contacted the MICI reside in the service area of Section 2. The Bank reports that work on Section 2 has been halted since June 2020 with overall physical progress of 39%.

Figure 2.
Map of the Project in the Moreno District

Source: Project environmental and social impact assessment.
C. The Request

1.11 On 8 July 2022, the MICI received a Request from a group of 60 residents of Villa Anita, Moreno District, Buenos Aires Province, Argentina. The Moreno District Attorney has supported the Group of Requesters in filing their claim with the MICI, after they initially directed their inquiries about the works to his office. The information, which is public, is available in the MICI’s Public Registry (case file of Request [MICI-BID-AR-2022-0188]).

1.12 The Request describes potential harm to the Group of Requesters’ quality of life and access to public services as a result of the halt in construction work and laying of the sewer and collector pipes as part of Section 2 of the Project. In addition, the Group of Requesters alleges that there has been insufficient public information on how and when the work will resume and ultimately will be completed.

1.13 The Group of Requesters alleges that it has had to put up with the negative impacts of the construction phase of the work for much longer than originally planned. Specifically, they state that the halt of construction has impaired their day-to-day activities and degraded public spaces, since the residents have had to contend with broken sidewalks with exposed pipes, debris, and building materials, as well as flooded areas.

1.14 Regarding the allegations as to lack of information, the Request states that not enough public information has been available on the construction stoppage. Specifically, the Request states that the IDB’s website only allows access to the environmental impact assessment but has no definite, up-to-date information on implementation status and completion timeline. Also according to the Request, the information released about the works has been incomplete and inconsistent with gaps regarding their completion.

1.15 The Group of Requesters also report having made requests for public information. However, they note that the responses offer repetitive and occasionally sketchy information that fails to substantively address their specific concerns. Additionally, they state that there is no clear information on the work execution timetable or status, on the facts and events leading to the stoppage, or on repairing the harm caused by the uncompleted work. The Group of Requesters also expressed their concern that the resumption of work would take much longer without addressing the alleged harm or providing specific information on the status of the work and its future.

1.16 Lastly, with regard to the MICI process, the Requesters asked the MICI to process their Request through the Consultation Phase and the Compliance Review Phase.

D. MICI process up to Eligibility Determination

1.17 Table 1 shows the main actions taken by the MICI from receipt of the Request up to the Eligibility Determination.
Table 1
Timeline of MICI actions up to Eligibility Determination

<table>
<thead>
<tr>
<th>Date</th>
<th>Actions</th>
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<tbody>
<tr>
<td>5 July</td>
<td>Phone call with the Group of Requesters</td>
</tr>
<tr>
<td>8 July</td>
<td>Request received</td>
</tr>
<tr>
<td>13 July</td>
<td>Request registered and notifications sent to Requesters and IDB Management</td>
</tr>
<tr>
<td>26 July</td>
<td>Meeting with Project Team</td>
</tr>
<tr>
<td>11 August</td>
<td>Management Response received</td>
</tr>
<tr>
<td>12 August to 12 September</td>
<td>Document review</td>
</tr>
<tr>
<td>8 September</td>
<td>Phone call with the Requesters</td>
</tr>
<tr>
<td>12 September</td>
<td>Eligibility Memorandum issued</td>
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II. CONSULTATION PHASE

A. Policy framework

2.1 The Independent Consultation and Investigation Mechanism (MICI) is governed by the MICI-IDB Policy (document MI-47-6), approved by the Bank’s Board of Executive Directors on 16 December 2014 and updated on 14 April 2021. 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 provides an opportunity for the Parties to address the issues raised in the Request in a flexible, consensus-based manner. It is based on a series of methods that foster unbiased, equitable treatment of all Parties involved in the process. The Guidelines for the Consultation Phase (document MI-74) seek to facilitate the effective application of Section H of the MICI-IDB Policy, particularly paragraphs 24 to 35.

2.3 The Consultation Phase consists of three sequential stages: Assessment, Consultation Phase Process, and Monitoring. The Policy establishes the purpose and timeframes for each stage. The objective of the Assessment Stage is to determine whether the conditions are present for initiating a dispute settlement process. This stage is designed to achieve an in-depth understanding of the context of the operation that gave rise to the Request and the central issues that the Parties could address in a potential Consultation Phase Process. Views are exchanged with the Requesters, the executing agency, and IDB Management to determine whether or not it is viable to initiate that process. Lastly, this stage seeks to identify individuals who could play the role of representing the Parties and their methodological preferences for a potential process.

2.4 The purpose of the Consultation Phase Process is to reach an agreement between the Parties, with the objective of responding to the issues raised in the Request and addressed as part of the MICI Process, while at the same time 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 of the Assessment Stage is 40 business days, running from distribution of the Eligibility Memorandum to the Board of Executive Directors, which for this case occurred on 13 September 2022.

2.6 The activities during the Assessment Stage of this case were the following:

<table>
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<th>Date</th>
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<tbody>
<tr>
<td>13 September</td>
<td>Start of Assessment Stage of the Consultation Phase</td>
</tr>
<tr>
<td>13 September to 3 October</td>
<td>Review of program documents and their context</td>
</tr>
<tr>
<td>29 September</td>
<td>Video call with IDB Project Team and COMIREC, UCEPO, and DIPAC staff</td>
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<tr>
<td>30 September</td>
<td>Video call with Requesters</td>
</tr>
<tr>
<td>24 October</td>
<td>Consultation Phase Assessment Report issued</td>
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C. Assessment methodology

2.7 In accordance with the MICI-IDB Policy and the Guidelines for the Consultation Phase, the process involved a desk review and telephone interviews with the Parties. The main objectives of these activities were to study the Project context, jointly analyze the feasibility of a Consultation Phase Process with the Parties, determine the issues to be covered by a potential Process, and learn the Parties’ methodological preferences for a potential dialogue.

2.8 The team also analyzed a series of relevant documents for processing this case, including: the Request and its annexes, the Program loan proposal, the loan contract, and the environmental and social assessments for the Program and the Project.

III. ANALYSIS

A. Issues and current context

3.1 Issues. Based on the Request, the supplemental information, and the analysis performed during the Assessment Stage, a set of issues were identified that could be addressed by the Parties in a dispute settlement process. The issues raised in the Request to the MICI may be grouped into two categories: (a) access to information and ongoing updates on the status, timeline, and completion date for the work on “Branch Sewer Systems in Moreno: Catonas IV South, Section 2;” and (b) alleged impacts resulting from the halting of work and potential corrective measures.

3.2 Background and current context. In terms of background, it should be noted that the Requesters had contacted the MICI in May 2022. During the Registration stage, the MICI determined that there had been no prior contact between the Requesters and IDB Management. The MICI therefore did not register the complaint and forwarded it to Management, so that such interaction could occur.
However, two months later, the Requesters decided to return to the MICI because, they said, their concerns were still valid.

3.3 Secondly, it is important to note that the MICI has been processing an additional case since 2019 (MICI-IDB-AR-2019-0148) related to the Reconquista River Basin Environmental Sanitation Program (loan AR-L1121). The case is currently in the Monitoring Stage of the Consultation Phase. Although the Requesters are different in the two cases, and the issues underlying the complaint in case MICI-BID-AR-2019-0148 are unrelated to the project for “Branch Sewer Systems in Moreno: Catonas IV North and South,” the Project Team and representatives of the executing agency are involved in both cases.

B. Perspective of the Parties

3.4 This section summarizes the perspectives of the Parties, as defined in the MICI-IDB Policy: the Requesters, the executing agency, and IDB Management. This does not preclude bringing in other stakeholders as relevant third actors in any given dialogue pursuant to paragraph 4.21 of the Guidelines for the Consultation Phase.

3.5 Requesters. The Request was filed with the MICI by a group of 60 residents of Villa Anita in the municipio of Moreno. In the Request, they said the district attorney of the municipio of Moreno would support them in the MICI process.

3.6 From the start of the MICI case processing, the Group of Requesters have communicated their support for the work and the need for effective sewer service. They said they were looking forward to when the works would be complete. That expectation was upended when work halted and, they said, no specific information was forthcoming about what had happened or the future of the Project. Despite requesting information several times from government authorities and the IDB, the Group of Requesters reported that no definite information could be obtained on the current status of the works, when they would resume, and how long they would take to complete. Consequently, they feel that there is no detailed explanation about what happened with the work and who is responsible, nor are they certain of the future or the delivery of sewer service.

3.7 Furthermore, the Group of Requesters stated that the work stoppage has affected their living conditions. Firstly, they said, the work had to break sidewalks, streets, and even some garages, but the firm did not repair any of this after work halted. As communicated to the MICI, some Requesters had to pay out of pocket for the repair of garages and sidewalks. Secondly, they said they have also had to incur expenses to clean up the materials abandoned by the firm performing the work. Lastly, they said they have experienced a disgusting stench in the neighborhood as a result of the work stoppage and absence of sewer service.

3.8 Executing agency. Both UCEPO and COMIREC have emphasized their commitment to implementation of the Project and said they had reached an agreement with the contractor firm to terminate the contract for the halted work. According to UCEPO and COMIREC, the termination agreement is currently under review by the oversight authorities of Buenos Aires Province. Once approved by the oversight authorities, the contract termination agreement and its corresponding administrative order would be final.

3.9 Importantly, the executing agency noted that no new tender could be issued until the current contract had been terminated. For this reason, in parallel with the
oversight authorities’ review, and to ensure efficiency in the processes, the executing agency is preparing all the necessary documentation, including the bid documents, to launch the bidding process as soon as the contract with the firm that was building the works is terminated.

3.10 Additionally, the agencies mentioned that they have received several different requests for information from the Moreno District Attorney’s Office regarding the status of the works, and that they have responded in a timely manner and provided the requested information. They also said information regarding the works is available on the COMIREC website. But even so, both UCEPO and COMIREC stated their willingness to share information on progress and answer any questions that may arise as part of a MICI-facilitated Consultation Phase Process.

3.11 Consequently, the Ministry of Infrastructure, which is responsible for technical direction of the Program, acting through UCEPO, and COMIREC as the river basin authority, stated their openness to participating as Parties to the process. They also stated that, if necessary, they would rely on different technical units of the provincial government.

3.12 **IDB Management.** IDB Management said it was open to finding solutions to the problems raised in the Request, as well as addressing the Requesters’ concerns as part of a MICI-facilitated Consultation Phase Process. Management noted that a public consultation process had been conducted during preparation of the Project, beginning in June 2016, and that, in addition to the environmental and social impact assessment, the works had an environmental and social management plan that included a mechanism for complaints and grievances. Regarding information on the Project, Management said all public information related to social and environmental impacts, status of the works, the procurement plan, and the Program in general is available on the websites of the Bank and the executing agency.

3.13 Regarding the complaint received by the MICI, Management said it met virtually with the Group of Requesters and representatives of the executing agency on 24 June 2022, to inform the residents about the status of the works. The meeting was held in response to the complaint initially forwarded by the MICI in early June 2022, since there had been no prior contact with IDB Management. Previously, in March and April 2022, Management had received three requests for information from the district attorney regarding progress and supervision of the work. IDB Management stated that it responded to the request in May 2022 and visited the project area in the last week of September 2022.

3.14 Management also reported that, while the termination agreement is under review by the provincial oversight authorities, the executing agency had prepared the proposal for the Project to be retendered. The Bank had issued its no objection to that proposal. Management reported that, while the termination agreement and its corresponding administrative order are being finalized, the executing agency will prepare the bid documents to be sent to the Bank.
IV. CONCLUSION

A. Feasibility of launching 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 existing problems through a dispute settlement process, 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-IDB Policy, this assessment report will be distributed to IDB Management, the Requesters, and the executing agency on 24 October 2022, to the IDB Board of Executive Directors once its English translation is available, and subsequently released to the public through the MICI’s online 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 issues raised in the Request. The methodology is adapted case-by-case according to the needs of the process, but always in accordance with the Policy and the Guidelines. As a result of the assessment and exchanges with the Parties, the MICI has developed a proposed methodology combining the elements described below.

4.4 **Dialogue sessions.** The Consultation Phase Process should be short and limited in the number of sessions, considering the agenda items and the completion level of the Project. The dialogue sessions may be virtual or in person depending on the needs of the case and the preference of the Parties. Since the administrative processes regarding the work are ongoing, the first dialogue session will be held on 7 December 2022 at a neutral venue in Moreno, to gather factual information.

4.5 **Bilateral meetings.** The MICI will meet with each of the Parties virtually or in person and maintain an open communication channel to monitor the case. Specifically, the MICI will be in constant contact with the Parties between October and December, to gather information and prepare for the first plenary meeting.

4.6 **Facilitation.** The sessions will be facilitated by the MICI team, which, in addition to the Consultation Phase Coordinator and Specialist in charge of the case, will include Ms. Eliana Spadoni, a facilitator on the MICI Roster of Facilitation Experts. Ms. Spadoni is an expert in dispute settlement dialogue and alternative dispute settlement methods with over 15 years of experience in designing and facilitating participatory processes in various Latin American and Caribbean countries. She was also involved in case MICI-BID-AR-2019-0148 regarding the Reconquista River Basin Environmental Sanitation Program, which is in the Monitoring Stage of the Consultation Phase.

4.7 **Representation.** Those representing the Parties at the dialogue sessions must have decision-making authority and remain present for the entire process. For the Requesters, at least one resident will attend on behalf of the group signing the complaint. The Requesters stated their preference for being supported by a representative of the Moreno District Attorney’s Office during the process. The executing agency will be represented by a delegation consisting of UCEPO and
COMIREC staff. Lastly, IDB Management will be represented by the Project Team Leader and the specialist from the Environmental and Social Safeguards Unit (VPS/ESG).

4.8 Third parties involved. The MICI Policy establishes that the Parties are the Requesters, Management, and the executing agency. However, the Guidelines for the Consultation Phase expand on this definition, stating that MICI officials “may propose to bring in relevant third actors... that, without having a primary interest in the dispute or conflict that generated the Request, may play a constructive role in resolving it” (paragraph 4.21). In this instance, the dialogue process will initially be limited strictly to the Parties, but the usefulness of bringing in third parties may be revisited in light of progress achieved.

4.9 Documentation of meetings. The MICI will keep a detailed record of the issues discussed and the commitments made at each session. The record will be formalized in the meeting minutes, which will be shared only with the Parties to the MICI Process. The MICI will send the minutes to the Parties for comments, review those comments for relevance, and determine whether to include them in the final version of the minutes.

C. Required resources

4.10 Based on the proposed methodology, the MICI will require the following resources for the Consultation Phase Process: (a) field travel for dialogue sessions, joint visits to the Project site, and other objectives; (b) contracting of the facilitator on the MICI Roster of Facilitation Experts; and (c) necessary logistical services for travel and in-person dialogue sessions.

4.11 Given the current caseload in Argentina, the MICI team will try to coordinate internally as much as possible, to combine travel and ensure efficiency in case management.

D. Tentative timeline

4.12 Pursuant to paragraph 31 of the MICI Policy, the MICI has up to 12 months to complete a Consultation Phase Process.

4.13 Importantly, the deadlines of the administrative processes of government agencies will have to be taken into account throughout the Consultation Phase Process and potential Monitoring Stage. These will be within the time limits established in the MICI-IDB Policy for the stages of the Consultation Phase.