

Assessment Report Pando-Monte Lirio Case PN MICI001/2010



PROJECT OMBUDSPERSON

October 2010 - March 2011

PANDO-MONTE LIRIO PROJECT

PANAMA

ASSESSMENT REPORT

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1. Introduction

The purpose of this assessment report is to summarize the events from the time that the request on the Pando-Monte Lirio project was submitted to the Independent Consultation and Investigation Mechanism (ICIM) until the current stage in the process, and to describe the findings, technical results, and options discussed by the parties in the framework of the assessment and preparation for dialogue.

The request to the ICIM was submitted by nongovernmental organizations (NGOs) and local civil society groups (the Requesters), indicating current and potential adverse environmental and social impacts associated with the construction of the Pando and Monte Lirio hydroelectric power plants in the Chiriquí Viejo River basin in Panama. The issues raised in the request dealt primarily with two Inter-American Development Bank (IDB) Operational Policies: the Environment and Safeguards Compliance Policy (Operational Policy OP-703) and the Access to Information Policy (Operational Policy OP-102). The Pando-Monte Lirio project is cofinanced by the IDB, the International Finance Corporation (IFC), and the Andean Development Corporation (CAF). It is being executed by Electron Investment S.A (EISA).

In handling this request, the ICIM has coordinated its efforts with the IFC's Office of the Compliance Advisor/Ombudsman (CAO), since the request was simultaneously submitted to both mechanisms. The ICIM received the request when it was in the midst of institutional reforms. Therefore, the CAO had already advanced the process when the ICIM became involved in October 2010, following approval of the Policy establishing the ICIM (the Policy) and completion of its institutional reforms. Commencing in October 2010, the ICIM and the CAO established a joint working framework, including assessment and preparation for dialogue, communications, and work plans with the various stakeholders. The CAO published its Assessment Report in July 2010. This ICIM Assessment Report covers the period from October 2010 to March 2011 and is considered a supplement to the CAO report.

The contents of this document are the result of the analysis and direct work undertaken by the ICIM in coordination with the CAO, the Requesters, and other local stakeholders, the Pando-Monte Lirio sponsors, the financial institutions, and various Panamanian government institutions.

2. The Pando-Monte Lirio project

The Pando-Monte Lirio project, approved by the IDB on 9 December 2009 and by the IFC on 4 February 2010, consists in the construction of two hydroelectric power plants configured for cascade operation on the Chiriquí Viejo River (CVR) in the Province of Chiriquí, in western Panama. The hydroelectric power plants are expected to have total installed capacity of 85 MV: 33 MW for Pando and 52 MW for Monte Lirio. It is estimated that the project will produce an average of approximately 430 GWh per year.

The project is being developed by the Panamanian company Electron Investment S.A. (EISA), a joint venture between the Spanish company Inveravante Inversiones Universales S.L., which holds a 51% equity interest, and the Panamanian company Fundación Fernando Eleta Almarán (Grupo Eleta), which holds a 49% equity interest. Inveravante's share of EISA is expected to increase to 65% before the closing of the financing arrangements, with Grupo Eleta retaining the balance.

Inveravante is a Spanish Sociedad Limitada [Limited Company]¹ organized in 2007 by the entrepreneur Manuel Jové Capellán. It is a broadly diversified conglomerate comprised of the following divisions: (i) a financial investments division that provides liquidity and allows risk diversification; and (ii) a goods-producing division that develops and manages a wide range of businesses, seeking management control over various sectors. Inveravante's energy subsidiary is Avante Genera. Operating under the goods-producing division, it holds a portfolio of electric power generation projects and is focused on the development of renewable energy sources (solar, hydroelectric, and wind).

Grupo Eleta is a Panamanian private foundation organized in 2003 by Fernando Eleta Almarán. The Group's principal main include: communications media, energy, real estate, and agribusiness.

The cost of the Pando-Monte Lirio project is calculated at US\$291.7 million, of which US\$109 million will be EISA capital, US\$153 million will be senior debt, and US\$30 million will be subordinated debt. The project is expected to be financed at a 63:37 debt-to-equity ratio. The project is cofinanced by the IDB, the IFC, and the CAF.

The Pando project is located in the upper Chiriquí Viejo River basin. The project dam will be located approximately 4 km downstream and west of the city of Volcán, District of Bugaba. The Pando project includes the construction of a dam 32 m high and 150 m long in the upper portion and 90 m long in the lower portion. It will create a daily storage reservoir with a surface area of 18 hectares, total capacity of 900,000 m³, and usable volume of 440,000 m³, with average storage of 8 hours. The Pando project will have a 5.1 km-long tunnel with a 3-m diameter, a 2.1 km-long pressure relief pipe with a 2.4-m to 1.9-m diameter, a 60-m high surge tank, and a powerhouse with joint installed capacity of 33 MW, divided into two units. The dam will have hydraulic regulation equipment, including an ecological flow relief valve and a fixed-crest spillway. Although the Pando dam will be able to store sediment transported from the upper basin for a period of at least 5 years, it will also have a sluiceway for eliminating sediment that may collect near the inlet. The project's gross head is estimated at 280 m.

The Monte Lirio project is located downstream, immediately below the Pando project, near the *corregimientos* of Caizán (Caizán Plaza, Centro, and Primavera), Monte Lirio, San Antonio, San Antonio Bajo, Santa Clara, and Río Sereno, all part of the Renacimiento District. The Monte Lirio project includes a dam 15 m high and 46 m long, total capacity of 90,000 m³, total surface area of approximately 1,500 m², an 8.2 km-long tunnel with a 3.2-m diameter, a 65.5-m high surge tank, a 2.69 km-long pressure relief pipe with a 2.8-m to 2.2-m diameter, and a

According to Spain's Civil Code, a Sociedad Limitada is a type of commercial company in which liability is limited to the capital contributed to the company; therefore, the partners are not personally liable for the company's liabilities.

powerhouse with installed capacity of 52 MW, divided into two units. The project's gross head is estimated at 314 m.

In addition, the Pando-Monte Lirio project provides for construction of a 230 kV transmission line spanning 19 km, from the power plant to a substation, for interconnection with the Sistema de Interconexión Eléctrica de los Países de América Central [Central American Electric Interconnection System] (SIEPAC).

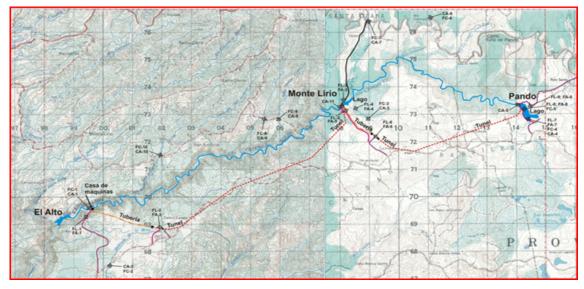


Figure 1: Map of the area where the Pando and Monte Lirio projects are located:

Map provided by EISA

3. The request

In January 2010, sixteen community and environmental organizations (the Requesters) located in the Province of Chiriquí submitted a request simultaneously to the IDB's ICIM and the IFC's CAO. Subsequently, four additional organizations joined the request and one withdrew (see Annex 1 for a complete list of Requesters). The Requesters allege a number of current and potential adverse social and environmental impacts resulting from hydropower development without clear policies in the Chiriquí Viejo River basin, including the Pando-Monte Lirio project. The list of potential adverse social and environmental impacts alleged by the requesters has evolved due to the work done by the ICIM and CAO, such that the 66 impacts alleged in the original request have now been technically grouped into 12 impacts.

4. The role of the ICIM and CAO and coordination between the two mechanisms

The role of the ICIM and CAO in the consultation and ombudsperson processes is to help the parties through neutral facilitation in their voluntary efforts to reach an agreement. The ICIM and CAO do not issue a verdict on the merits of the request or its technical resolution. The ICIM Consultation Process is divided into the phases of eligibility, assessment, preparation for

dialogue, dialogue, facilitation, and monitoring of agreements. In October 2010, after a series of institutional reforms, the ICIM joined a process that had already been started by the CAO.²

Below is a summary of the most significant procedural milestones of the consultation process facilitated by the ICIM and the CAO:

Table 1
Procedural milestones and dates

Procedural milestone	Date
CAO completes the request assessment report	July 2010
The Requesters and EISA express their interest in and commitment to a dialogue	August 2010
ICIM joins the consultation process	October 2010
Requesters and EISA hold a meeting to exchange information. It is agreed to divide the issues	October 2010
included in the request into three levels (see technical results below)	
Requesters and competent authorities including the Autoridad Nacional del Ambiente	October 2010
[National Environment Authority] (ANAM) and the Autoridad Nacional de Servicios Públicos	
[National Utilities Authority] (ASEP) hold meetings as part of the dialogue. Requesters and	
ANAM agree to identify Chiriquí Viejo River basin-related issues for future dialogue.	
EISA unilaterally deems the consultation process to have been exhausted. Nonetheless, EISA	December 2010
reconsiders and expresses its willingness to meet with Requesters directly affected by the	
project with to reach an agreement on issues that fall within EISA's direct sphere of action.	
Requesters and EISA identify common points in the request and the Environmental and Social	December 2010
Action Plan (ESAP) ³ , with which the project is required to comply.	
The ICIM and CAO require EISA and the Requesters to confirm their willingness to enter into	February 2011
a dialogue aimed at searching for a mutually satisfactory solution to issues included in the	
request falling within the project's direct area of influence.	

5. The consultation phase: assessment and preparations for dialogue

The ICIM's method of assessing the request on the Pando-Monte Lirio project included a review and update of the stakeholder mapping performed by the CAO; continuous contact with the Requesters, EISA, the project team, and government institutions such as ANAM and ASEP; field visits; and dialogue preparation activities, which include preparing the rules for the dialogue and holding an information exchange meeting. This meeting took place on 25 and 26 October. In this regard, the ICIM Assessment Report, which covers the period from October 2010 to March 2011, supplements the CAO Assessment Report published in July 2010.

5.1 Stakeholder mapping

The ICIM reviewed and adopted the stakeholder mapping performed by the CAO, complementing it with additional information available at that date. The main stakeholders are:

• Requesters: The formal Requesters comprise a total of 19 organizations, including the 15 signatories of the original request plus four organizations that asked to be included during the CAO assessment process (see Annex 1 for a complete list of organizations).

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The Policy establishing the ICIM was approved in February 2010 and took effect three months later, in May. The Mechanism was declared in effect following the appointment of a Project Ombudsperson on 9 September 2010.

³ Also known by its Spanish acronym PAAS.

All organizations are located in the Province of Chiriquí, some in the project's area of influence and three in the project's immediate area.

- Other communities located in the project area: They have a wide range of opinions and knowledge concerning the Pando-Monte Lirio project. Generally speaking, these communities have less knowledge about the project than the Requesters but share the same concerns.
- <u>EISA</u>: For EISA, some of the issues included in the request constitute legitimate concerns, but others are outside its direct area of responsibility. EISA showed interest in considering actions requested by stakeholders directly affected by the project aimed at improving EISA's environmental and social performance.
- ANAM, ASEP, and the Ministry of Energy: These government entities showed a willingness to participate in the consultation process to resolve issues within their respective jurisdictions. In particular, ANAM acknowledged the need for, and expresses a willingness to lead, a comprehensive water resource management planning process in the Chiriquí Viejo River basin. The government agencies also indicated that the Pando-Monte Lirio project complies with current Panamanian legal and regulatory provisions.
- <u>Municipal authorities in Renacimiento and Bugaba</u>: ⁴ The municipal authorities have regular contact with EISA and consider it a collaborative company that benefits the community. Their direct role in the project includes issuing construction permits and determining local taxes. The municipal authorities support EISA in creating Community Development Committees (CDCs) aimed at addressing the population's concerns regarding the project.
- <u>IDB and IFC</u>: The project's environmental and social specialists indicate that the bulk of the issues included in the request were identified during the project evaluation and have been included in the ESAP. Fulfillment of certain points in the ESAP is a condition precedent to the first disbursement of the loan provided by the IDB and the IFC.

5.2 Contact with the various stakeholders

Between August 2010 and March 2011, the ICIM and CAO teams have been in continuous contact with the stakeholders described in the preceding paragraphs, conducting several field visits to meet and engage in joint work. This continuous contact resulted in some noteworthy participatory outcomes, such as the construction of a matrix of issues included in the request and options proposed by the parties, which could become a key tool for future dialogue.

5.3 Preparing the parties for dialogue

Between August and October 2010, the ICIM and CAO carried out dialogue preparation activities. These activities included: (i) determining representatives of the various stakeholders for the dialogue; (ii) training for the dialogue, including basic negotiation concepts, collaborative dialogue strategies, and negotiation role-playing exercises; and (iii) participatory development of

⁴ The Requesters indicated that local government authorities in the district of Barú, located downstream of Pando and Monte Lirio, should also be consulted at some point in the dialogue process in order to address potential downstream impacts.

dialogue rules: a set of guidelines (which the parties agreed to observe) for building a framework of trust, respect, and good will aimed at facilitating joint work and good relations among the parties.

Preparing for dialogue allowed the ICIM-CAO team to obtain some ancillary results: (a) commitment by the parties to participate in the dialogue process; (b) participatory planning of the objectives of, and next steps in, the process; and (c) effective and transparent information exchange.

5.4 Information exchange meeting

The ICIM and the CAO facilitated an information exchange meeting on 25 and 26 October. The objectives of this meeting were: (i) to exchange key information; (ii) to jointly determine, clarify, and validate the next steps in the process; and (iii) to validate, on a participatory basis, the grouping of the various issues included in the request into discussion and intervention levels. The agreed upon levels are: (i) direct project area, (ii) watershed, and (iii) national policy.

The positive results of this initial information exchange meeting include: (i) confirmation that the request raises serious and responsible concerns; (ii) greater clarity and technical rigor in the issues included in the request for the requesters, EISA, ANAM, and ASEP; (iii) information exchange between the Requesters and the government agencies regarding the situation in the basin and the hydropower projects; and (iv) interest by ANAM and ASEP in greater institutional coordination to deal with issues under their jurisdiction.

The ICIM and CAO worked with the parties in jointly building an issue and stakeholder matrix divided into the three above-mentioned levels (direct project area, watershed, and national policy). It became clear that each level involves different technical treatment, as well as different dialogue and decision-making forums and different stakeholders. It was determined that the ICIM-CAO process can support the dialogue only on issues within the direct project area, and it was made clear that this process has no direct influence at either of the other two levels. However, it was shown that the IDB is willing to support the process of comprehensive management of water resources at the basin level within the framework of other operations undertaken by the IDB. It was underscored that national policy issues are beyond the purview of the ICIM and CAO.

It was agreed at this meeting that two joint activities would be conducted by the company and the Requesters. The first consisted in preparing a joint press release regarding the results of the information exchange meeting; this was done, and the release was published on 6 November 2010. The second activity consisted in creating a joint (Requesters and EISA) timetable for addressing the issues included in the request and falling within the project's direct and exclusive purview. This activity was not completed.

In December 2010, EISA unilaterally considered the consultation process to have been exhausted due to the fact that "EISA has a direct impact on a limited number of issues [included in the request] and the requesting NGOs are not directly affected by these issues." Nonetheless, EISA later reconsidered its position and agreed to meet with the Requesters directly affected by the project in order to reach a consensus on issues falling within EISA's direct sphere of action. Subsequently, EISA once again reconsidered its position regarding its willingness and the advisability of a dialogue process.

6. Main findings and technical results of the ICIM assessment

6.1 Main findings

The main findings of the ICIM assessment are summarized as follows: (a) lack of communication or poor communication among the main stakeholders; (b) confusion regarding the issues in the request and ways to resolve them; (c) limited access to project information by the Requesters; (d) lack of knowledge of the ESAP by the Requesters; (e) significant similarity between the concerns raised in the request and the ESAP's key issues; and (f) limited institutional capacity for environmental and social management.

6.2 Technical results

- a) Greater clarity and technical rigor in the issues included in the request: The work done by the ICIM and CAO led to a better understanding of the potential adverse social and environmental impacts alleged by the Requesters. As a result, the 66 impacts alleged in the request were grouped on a technical basis into the following twelve points. A more detailed version of these twelve points and their relationship to the ESAP appears in Table 2.
 - 1. Skepticism and concern regarding the use of water and minimum ecological flow
 - 2. Concern regarding the <u>current or potential destruction of riverside forests and deforestation</u> in general
 - 3. Concern and <u>lack of technical diagnostic assessment of the project's impacts</u> on certain water and land species
 - 4. Concern regarding the <u>high sedimentation levels during project operation</u>
 - 5. <u>Concessions</u> with 50-year terms in the absence of a long-term plan to support community water needs and other economic uses
 - 6. Adverse impacts on access roads due to excess traffic
 - 7. <u>Health and safety</u> of project workers
 - 8. Civil safety of population in connection with <u>water releases and extreme events</u> that could put the structure at risk
 - 9. Competition with other users of the water resources, such as local farm producers
 - 10. <u>Cumulative impacts on the Chiriquí Viejo River</u> due to the high number of concessions awarded along the river
 - 11. Limited capacity for institutional coordination
 - 12. <u>Limited institutional capacity</u> of ANAM, ASEP, and municipal governments.
- b) Division of the issues contained in the request into the following levels:
 - <u>Project level:</u> Issues within EISA's direct sphere of action, on which the ICIM and CAO are mediating an agreement.
 - <u>CVR basin level</u>: Issues on which ANAM is amenable to dialogue, EISA can exert partial
 influence as a basin user, and the IDB would be willing to assist through other operations,
 including participatory creation of a comprehensive management plan for the CVR basin;
 and

- <u>National policy level</u>: National policy issues over which the ICIM and CAO have no jurisdiction and which they will not address at any level (e.g., the country's energy policy)
- c) The vast majority of the issues raised in the request are included in the commitments made by EISA as part of the project, particularly the ESAP: Below is a summary of the main issues raised in the request and the commitments made by EISA under the Environmental and Social Action Plan (ESAP) associated with the IDB and IFC investment operations. Compliance with these commitments is also a condition for IDB loan disbursement.

Table 2
Issues included in the request and commitments made by EISA

Iss	sues included in the request	Commitments made by EISA as part of the project	
	Community development		
1. Sus	istainability of community pport projects	According to the ESAP, EISA "will design a community relations and information plan that, at a minimum, includes stakeholder mapping and related community development programs."	
Enviro	onmental and social impacts		
2. Lir (ur	mited access to other water users rban, farm, recreational, etc.) in e CVR basin	According to the ESAP, EISA will make "all necessary efforts to participate, together with ANAM, other local authorities, and other CVR basin investors, in developing a coordinated approach for managing the potential cumulative impacts of hydropower development." This issue lies outside of EISA's direct purview.	
ass	ppropriate participatory plans for sessing and monitoring dimentation and water quality	According to the ESAP, EISA is required to develop a "Community Water Quality Monitoring Program, which will include a detailed sampling protocol for physical, chemical, and biological characteristics in the project area."	
	oper methodology for assessing d monitoring ecological flow	According to the ESAP, EISA will: (1) "Conduct a study to determine whether the required minimum flow (10% of the annual average flow) is sufficient to maintain the ecological integrity of the Chiriquí Viejo River corridor within the project's area of influence;" (2) "Disseminate the results of this study locally to the relevant authorities and the various stakeholders (including other investors);" and (3) "Engage with the stakeholders in applying a common approach to the management of ecological flow at the CVR basin level."	
ass	ack of a cumulative impact sessment study	According to the ESAP, EISA will "make all necessary efforts to participate, together with ANAM, other local authorities, and other CVR basin investors, in developing a coordinated approach to managing the potential cumulative impacts of hydropower development." This issue lies outside of EISA's direct purview.	
6. De	eforestation	According to the ESAP, with respect to the project's impact on the mature and intermediate secondary forest found on the left bank of the future Pando reservoir and the specimens of Zamia on the right bank of the future Monte Lirio reservoir, EISA is required to "carry out a detailed reforestation program." This issue concerns EISA only within the area directly impacted by the project.	

Table 2
Issues included in the request and commitments made by EISA

	Issues included in the request	Commitments made by EISA as part of the project
7.	Impact on migratory fish species	According to the ESAP, EISA is required to carry out:
	and otters	(1) "A preliminary design for a passage system for otters and
		migratory fish species aimed at sustaining a viable population along
		the CVR section directly impacted by the project;
		(2) "A Preliminary Ecological Flow Management Plan, including a
		definition of the minimum flow reasonably expected to sustain the
		ecological integrity of the Chiriquí Viejo River corridor within the
		project's area of influence, including the otter and migratory fish
		population, as well as additional mitigation and compensation
		measures; and
		(3) "The effectiveness of the proposed mitigation measures will be
		validated by independent experts."
		This issue concerns EISA only within the area directly impacted by
	X 1 C C 1 1	the project.
8.	Lack of spaces for local	According to the ESAP, EISA is required to design a "Community
	community information and	Relations and Information Plan, which, at a minimum, includes
	education	stakeholder mapping and associated community development
	T 1 C 1 '	programs."
9.	Lack of clarity as to impact on	According to the ESAP, EISA is required to design an "Access Road
	roads and road repair plan	Improvement and Development Program, including a complete
		analysis of the existing road network and the expected new access,
		with photographic evidence of the conditions at the start of construction, a plan to document the conditions at the end of
		construction, a plan to document the conditions at the end of construction, and erosion control measures."
Fn	vironmental governance	construction, and crosson control measures.
	Lack of institutional coordination	The IDB is leveraging expected actions under the Modernization of
10.	at the various levels of government	Environmental Management for Competitiveness project
	at the various levels of government	(PN-L1013), which calls for the strengthening of local
		environmental institutions.
		This issue lies outside of EISA's direct purview.
11.	Lack of a participatory plan	The IDB is leveraging expected actions under the Modernization of
	(including communities and	Environmental Management for Competitiveness project
	NGOs) for comprehensive	(PN-L1013), which includes the development by ANAM of a
	management of the Chiriquí Viejo	participatory plan for comprehensive management of the Chiriquí
	River basin	Viejo River basin as part of the technical cooperation operation.
		This issue lies outside of EISA's direct purview.
12.	Poor technical quality, credibility,	The IDB is leveraging expected actions under the Modernization of
	and integrity of the environmental	Environmental Management for Competitiveness project
	licensing and environmental	(PN-L1013), which includes updating the environmental impact
	impact assessment review process	assessment system.
		This issue lies outside of EISA's direct purview.

7. Conclusions and options discussed

7.1. Conclusions:

The Requesters have evolved in terms of the technical positions of their request, which
have become more pragmatic and make it possible to determine responsibilities and proper
levels of action. The Requesters have maintained their openness to a dialogue with EISA

- with a view to arriving at an agreement on issues at the project level. The Requesters also insist on a longer-term vision given the situation of the Chiriquí Viejo River basin.
- The capacity for dialogue and understanding of the issues by EISA, the Requesters, and ANAM has improved significantly; they are identifying issues by level, developing and agreeing on the rules of dialogue, and working on certain tools for dialogue and consensusbuilding.
- The request to the ICIM-CAO on the Pando-Monte Lirio project has revealed a complex situation in the Chiriquí Viejo River basin arising from intensive hydropower development in the area. The Requesters have consistently demanded greater attention to this development and the policies on which it is based.
- The involved government institutions have at all times reaffirmed their interest in helping EISA and the Requesters reach an agreement and then monitor it, as well as in fostering effective coordination between the parties on matters within their jurisdiction.
- There is a great deal of similarity between the concerns raised by the Requesters and EISA's commitments under the ESAP, making any EISA reply to the request significantly less onerous and, according to this assessment, facilitating constructive and responsible dialogue.

7.2. Options discussed in the context of the assessment and preparation for dialogue At the project level:

- According to the ESAP, as a condition precedent to the first disbursement scheduled for April, EISA is required to submit an ecological flow study to determine whether the 10% of ecological flow under concession is an adequate percentage for maintaining the integrity of the aquatic ecosystem along the river section where the project is located, as well as the mitigation and management measures needed to offset potential impacts. While the company's commitment to the Banks is to make the ecological flow study publicly available in 2012, the option was raised of releasing this study earlier, once it is completed. This would contribute to a greater understanding of the situation and an improved dialogue between the parties, considering the sensitive nature of this issue, particularly in view of the project's potential impacts on the ecosystems.
- Given the similarity between the ESAP and the twelve points raised by the Requesters, if EISA were to submit an ESAP implementation plan and the ESAP itself, it would further facilitate dialogue and an understanding of the steps already taken (or not) by the company regarding key issues such as mitigation measures.

At the basin level:

The "Preliminary study to create a framework for assessing the potential cumulative impacts associated with hydropower projects under concession in the Chiriquí Viejo River basin" recommends bringing together all hydropower project developers to address the issues within their purview and ensure that they are properly represented in the design and implementation of a comprehensive Chiriquí Viejo River basin management plan. This assessment process revealed that the division into project-level and basin-level issues is not absolute and that, consequently,

the availability of other tools and dialogue channels opened by the IDB is essential for acquiring a longer-term vision.

8. Next steps

The ICIM and CAO continue their efforts to create an environment favoring dialogue between the parties, while focusing on the issues that fall within the project's direct area of influence, particularly the points of convergence between the ESAP and the request.

With respect to basin-related issues, conversations have been held with ANAM and the IDB project team to enable discussions on issues included in the request, such as those relating to participatory plans for comprehensive management of the Chiriquí Viejo River basin, to take place within a more institutionalized and sustainable framework. This effort will help to allay some of the concerns raised by the Requesters, particularly regarding proper coordination and attention to environmental and social considerations between the regulatory authority and those executing other hydropower development concessions now underway (or pending) in the Chiriquí Viejo River basin.

The ICIM and CAO have agreed (and notified the company and the Requesters accordingly) on a deadline for completing the dialogue process with a view to resolving all issues included in the request.

LIST OF REQUESTERS

The group of sixteen local organizations that submitted the request is comprised of:

- 1. Fundación para el Desarrollo Integral Comunitario y Conservación de Ecosistemas en Panamá [Foundation for Comprehensive Community Development and Ecosystem Conservation in Panama] (FUNDICCEP)
- 2. Asociación Ambientalista de Chiriquí [Chiriquí Environmentalist Association] (ASAMCHI)
- 3. Amigos Parque Internacional La Amistad [Friends of La Amistad International Park] (AMIPILA)
- 4. Alianza para el Desarrollo Ambiental de Tierras Altas [Tierras Altas Environmental Development Alliance] (ADATA)
- 5. Asociación de Conservación Biosfera [Biosphere Conservation Association] (ACB)
- 6. Asociación Productores de Cultivos Exportables [Association of Exportable Crop Producers] (APCE)
- 7. Asociación de Productores de Renacimiento [Renacimiento Producers' Association] (APRE)
- 8. Grupo Ecológico de Renacimiento para la Protección del Parque Internacional La Amistad [Renacimiento Ecological Group for the Protection of La Amistad International Park] (GERPROPILA)
- 9. Asociación de Productores Agro Ecologistas La Amistad [La Amistad Agroecological Producers' Association] (ADPAELA)
- 10. Comité Defensa del Rio Chiriquí Viejo [Committee for the Defense of the Chiriquí Viejo River]
- 11. Centro Misionero la Concepción [La Concepción Missionary Center] (CEMCODE)
- 12. Colibrí Asociación Ecologista de Panamá [Colibri Panamanian Ecological Association]
- 13. Asociación Macho de Monte [Macho de Monte Association]
- 14. Asociación Ecologista de Productores Orgánicos La Rovira [La Rovira Ecological Association of Organic Producers] (ASEPOR)
- 15. Comité Defensa del Río GARICHE y sus afluentes [Committee for the Defense of the Gariche River and its Tributaries]
- 16. Asociación de Productores Agro Ecologistas Santa Clara [Santa Clara Agroecological Producers' Association] (APASSAC8)

During the interviews conducted for the assessment by the CAO Ombudsman, four additional organizations asked to participate in the process:

- 1. Asociación de Productores Ecologistas La Amistad de Cerro Punta [La Amistad de Cerro Punta Ecological Producers' Association] (ASAELA)
- 2. Grupo de Expediciones Naturales [Natural Expedition Group] (GENAT)
- 3. Grupo de Productores Orgánicos de Cerro Punta [Cerro Punta Organic Producers' Group] (GORACE)
- 4. Asociación de Padres de Familia de Río Sereno [Río Sereno Parents Association]