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CONSULTATION PHASE ASSESSMENT REPORT
RECONQUISTA RIVER BASIN ENVIRONMENTAL SANITATION PROGRAM

(AR-L1121)
(3256/OC-AR)

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

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LINKS

1. Case file MICI-BID-AR-2019-0148 in the MICI-IDB Public Registry
<https://www.iadb.org/es/mici/detalle-de-la-solicitud?ID=MICI-BID-AR-2019-0148>
2. Reconquista River Basin Environmental Sanitation Program (loan AR-L1121) profile
<https://www.iadb.org/Document.cfm?id=EZSHARE-1557453903-2>
3. Loan proposal for the Reconquista River Basin Environmental Sanitation Program (loan AR-L1121)
<https://www.iadb.org/Document.cfm?id=38866412>
4. Environmental and social management report for the Reconquista River Basin Environmental Sanitation Program (loan AR-L1121)
<https://www.iadb.org/Document.cfm?id=38151058>
5. Update of the environmental and social impact assessment for the Reconquista River Basin Environmental Sanitation Program (loan AR-L1121) as a whole
<https://www.iadb.org/Document.cfm?id=EZSHARE-735565658-207>

ABBREVIATIONS

COMIREC	Reconquista River Basin Committee
MICI	Independent Consultation and Investigation Mechanism of the IDB Group
OPDS	Provincial Agency for Sustainable Development
PGICRR	Reconquista River Basin Comprehensive Management Plan
SCEOCI	States and International Credit Agencies Coordination Branch of the Ministry of Economy of the Province of Buenos Aires
UCEPO	Works Coordination and Execution Unit of the Ministry of Infrastructure of the Province of Buenos Aires

EXECUTIVE SUMMARY

The Reconquista River Basin Environmental Sanitation Program (operation AR-L1121) is financed by the Inter-American Development Bank through a sovereign guaranteed US\$230-million multiple works loan operation 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 Branch, and the Ministry of Infrastructure's Works Coordination and Execution Unit is responsible for technical coordination of the program. The operation was approved by the Board of Executive Directors on 23 July 2014 and is currently in implementation.

This program, which is the third financed by the IDB in the Reconquista River Basin, aims to restore the environmental quality of the basin by implementing a Reconquista River Basin Comprehensive Management Plan (PGICRR) that will prioritize investments targeting communities in areas where there are health risks. These works will help: (i) increase water, sewer, and wastewater treatment coverage; (ii) enhance integrated solid waste management, primarily by closing open air dumps; (iii) improve connectivity and access to outlying neighborhoods in hard-to-reach areas; and (iv) strengthen the operational management capacity of the Reconquista River Basin Committee by developing management tools.

On 7 May 2019, the Independent Consultation and Investigation Mechanism (MICI) received a Request regarding the program from six individuals acting on their own behalf, who reside in municipios located in the Reconquista River Basin.¹ On 25 July 2019, the Requesters submitted an additional document to supplement the original Request, providing further details on the allegations of potential harm, and another eight residents of the basin added their names to the Request. The Request alleges that the Bank has failed to comply with its relevant Operational Policies and with current Argentine law because program execution had started without giving consideration to the basin as a territorial unit and without accounting for the river's real capacity as a receiving body. In particular, it alleges that the program does not have a comprehensive environmental impact study or any of the necessary avenues for public input. As regards access to information, it alleges that there is no validated, up-to-date public information system on the environmental and social impact of the actions of the Reconquista River Basin Committee (COMIREC).

The information provided indicates that the basin's current, highly polluted state not only causes environmental harm, but also poses serious health risks for the residents of the islands of the Paraná Delta (San Fernando and Tigre), because what happens upstream affects the Luján, Carapachay, and Paraná Rivers. The Requesters state that the only water source for residents of those islands has been severely affected by the pollution of the Reconquista River. Their concerns about the program relate to the potential harm that could arise from a possible intensification of adverse effects experienced in the lower basin as a result of their specific problems not being taken into account as part of a comprehensive approach to the basin. In particular, they state that the construction of the Drainage Canal/National Course changed the hydrological dynamics of the lower basin, bringing the Reconquista's waters to higher grounds than the original outfall. This situation has posed harm to their health and quality of life because the delta has become

¹ During the eligibility phase, one of the individuals who had signed the Request decided to withdraw due to a potential conflict of interest, and another eight individuals added their names to the Request.

the final destination of the discharge of these highly polluted waters. Rising water levels often cause floods in certain parts of the municipios on San Fernando and Tigre islands. Additionally, the Requesters allege that those works brought harm to aquatic wildlife, vegetation, terrestrial fauna, and the wetlands as an ecosystem.

The Request was declared eligible on 3 August 2019. The [Eligibility Memorandum](#) found that only 9 of the 13 Requesters² had raised allegations compatible with the definition of harm set forth in the MICI Policy. Therefore, processing of the Request by the MICI would be limited to potential noncompliance associated with those allegations in particular.

After transferring the Request to the Consultation Phase and as part of the assessment stage, the MICI team held phone conversations and in-person meetings with the Requesters, IDB Management, and staff from the executing agency, which was represented by officials from the Provincial Ministry of Infrastructure and from the COMIREC. The in-person meetings and several phone conversations took place during a mission to the city of Buenos Aires that aimed to analyze the viability of starting a MICI-facilitated conflict resolution process and identify the parties' methodological preferences to design that process.

IDB Management, the executing agency, and the Requesters have expressed to the MICI their willingness to begin a Consultation Phase process. However, the MICI determined that the design of that process should consider the political context, as Argentina is in the midst of its national, provincial, and municipal election cycles. In light of that, it was agreed that the first MICI-facilitated dialogue session would take place on 4-5 November 2019 in the city of Buenos Aires. In view of the potential agenda topics and the level of completion of the program, the Consultation Phase process should seek to be limited in duration and in the number of dialogue sessions. Therefore, the dialogue stage should last approximately four months from the date this report is issued. Lastly, the dialogue sessions' participants will always include a facilitator from the MICI roster of experts and a MICI official.

² It is important to note that the MICI feels that the Request did not provide enough information to classify the Requesters from the upper and middle basins as parties who may be directly harmed, based on the definition of harm set forth in the MICI policy. Therefore, the processing of this Request will focus on the allegations of potential direct harm raised by the other Requesters. During the Consultation Phase Assessment, two of the initial Requesters from the middle basin officially notified the MICI that they did not want to continue processing their allegations under the MICI framework.

I. BACKGROUND³

A. Geographic and social context of the project⁴

- 1.1 The Reconquista River Basin, located in the Province of Buenos Aires, 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 Chozas and Durazno streams in the municipio of General Rodríguez to the Roggero dam and its artificial lake (San Francisco Lake); (ii) the **middle basin**, from the dam to Las Catonas and Morón stream; and (iii) the **lower basin**, from the Morón stream to the river's mouth at the Luján River in the municipality of Tigre. In terms of economic activity and land use, agricultural activities are predominant in the upper basin, while industrial and commercial activities are prevalent in the middle and lower sections of the basin.

Figure 1.
Map of the Reconquista River Basin



Source: Environmental and Social Management Report.

- 1.2 Regarding the legal and institutional framework, the Constitution of the Argentine Republic grants the provinces dominion over the natural resources within their territories. Meanwhile, the Municipal Act confers powers on the municipios to attend to their local interests and provide local services. In the Province of Buenos Aires, the Provincial Agency for Sustainable Development (OPDS) is the

³ Information retrieved from the Bank's website and public documents on the related operations.

⁴ The sources of the information presented in this section are available in the links section.

socioenvironmental regulatory and administrative authority. Management of water resources is the responsibility of the Ministry of Infrastructure, and in the specific case of the Reconquista River Basin, the most significant actor is the Reconquista River Basin Committee (COMIREC), created by provincial law 12,653 in 2001. Pursuant to that law, the objective of the COMIREC is to provide services and carry out actions that seek to promote the comprehensive management of the basin and preserve its water resources.

- 1.3 Along with the Matanza River, the Reconquista River is considered one of Argentina's most severe cases of pollution, 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. This is compounded by the presence of 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.
- 1.4 In the area of industrial pollution, the pollutants that have the highest impact are organic in nature, caused by effluents discharged from slaughterhouses (for poultry, cows, sheep, and pigs), dairies, tanneries, and textile, alcoholic beverage, and 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

- 1.5 The Reconquista River Basin Environmental Sanitation Program (operation AR-L1121) (the "program") is financed by the Bank through a US\$230-million **multiple works investment loan operation** 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 Branch (SCEOCI), and the Ministry of Infrastructure is responsible for technical coordination of the program, 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 currently in implementation.
- 1.6 The program was designed as a continuation of a series of interventions related to the basin and financed by the IDB. In 1993, the Board of Executive Directors approved the "Reconquista River Sanitation" project (operation AR0038, loan 797/OC-AR), completed in 2006. The operation was for US\$150 million and included US\$75 million in cofinancing from the Government of Japan. Its main objectives were: (i) flood control; (ii) decreased industrial and household pollution; and (iii) improved management and regulation of the Reconquista River Basin. Flood control activities were carried out under that operation, and an action plan to control industrial pollution was prepared. However, program documents indicate that the scope of that action plan was smaller than planned, and the planned wastewater treatment plants were not built due to a lack of financing. The program also developed a legal framework for creating the COMIREC, but it did not manage to set up a basin management system.

- 1.7 Later, the Province of Buenos Aires requested IDB support through a technical cooperation operation, “Program for the Sustainable Management of the Reconquista River Basin” (operation AR-T1083, technical cooperation funding ATN/OC-12571-AR), approved by the Board of Executive Directors in December 2010. That operation sought to produce technical studies for a future program in the Reconquista River Basin. More specifically, it entailed the preparation of terms of reference and documents to develop the Reconquista River Basin Comprehensive Management Plan (the “PGICRR”); an environmental and social evaluation for a future program; technical, economic, institutional, and socioenvironmental viability studies for the projects; and an institutional strengthening plan for COMIREC.
- 1.8 The Reconquista River Basin Environmental Program (operation AR-L1121), the subject of the Request, was designed on the basis of two criteria: (i) address the priorities for the basin identified by the Province of Buenos Aires, based on operation AR-T1083; and (ii) supplement and expand the actions not carried out under loan 797/OC-AR. To address these criteria, the program focused on developing the PGICRR under the shared-vision method, with broad participation by the basin’s stakeholders at all stages of the plan’s preparation (diagnostic assessment, selection of alternatives, and final approval). The PGICRR will set out prioritized actions for the basin aimed at achieving the objective of restoring the basin’s environmental quality by adopting criteria discussed and approved by the various stakeholders, including nongovernmental organizations (NGOs) and civil society, with a time horizon of at least 15 years. The selected actions for the first five years will be financed using program resources.
- 1.9 The projects prioritized by the Province that comprise the program’s project sample should be included in the plan’s actions to be implemented during the first five-year cycle. The program planned to implement these projects simultaneously with the preparation of the PGICRR. Furthermore, the program will help the COMIREC consolidate its institutional structure and provide the necessary tools for comprehensive management of the basin. It will also support the COMIREC through a water resource information system, an environmental monitoring plan, and a communications and training strategy. The Bank’s long-term objective is to support the implementation of the entire PGICRR.
- 1.10 According to the loan proposal, the program consists of the following four components:
- 1.11 **Component I. Water and sanitation (US\$58.3 million)**, which finances the construction and rehabilitation of water supply networks and sanitary sewer systems, including wastewater collection, transport, and treatment.
- 1.12 **Component II. Solid waste (US\$7.2 million)**, which finances the development of comprehensive management plans for the basin’s municipios and the closing and remediation of three open air dumps. Based on these plans, education, public awareness raising, and waste collection, transport, transfer, recovery, recycling, and final disposal initiatives will be financed.
- 1.13 **Component III. Roadways, accessibility, and drainage (US\$93.3 million)**, which finances investments in road infrastructure and supplementary works, including road

construction, engineering works, lighting, signage, multipurpose paths, paving, repaving of intra-urban streets, and waterworks for storm drainage.

- 1.14 **Component IV. Environmental and social management (US\$73 million)**, which finances environmental and social management actions, including: (i) the consulting assignment for preparing the **Reconquista River Basin Comprehensive Management Plan** and the industrial and urban pollution abatement actions to be given priority during the plan's preparation, as well as the implementation of water, sediment, and air quality monitoring and early warning systems; (ii) resettlement of approximately 750 households, of which 315 will be affected by the works of Component I and 435 live in areas susceptible to floods or other risks; (iii) the rehabilitation and upgrade of some 400 residences partially affected by the works, to make resettlement unnecessary; and (iv) training for municipal staff to implement the management plans.⁵
- 1.15 At the time of its approval, the program was classified as a category "A" operation due to the need to resettle families living in flood-prone areas. It was determined that the following operational policies were applicable: the Environment and Safeguards Compliance Policy (Operational Policy OP-703), the Disaster Risk Management Policy (Operational Policy OP-704), the Involuntary Resettlement Policy (Operational Policy OP-710), and the Access to Information Policy (Operational Policy OP-102).
- 1.16 According to Bank systems, 30.89% of projected program resources have been disbursed as of August 2019.

C. The Request

- 1.17 On 7 May 2019,⁶ the Independent Consultation and Investigation Mechanism (MICI) received a Request regarding the program from six individuals acting on their own behalf, all of whom reside in municipios located in the upper, middle, or lower Reconquista River Basin.⁷ In an expansion of the Request during the eligibility determination period, eight additional individuals added their names as Requesters. As stated in the Eligibility Memorandum issued by the MICI, only 9 of the 13 Requesters⁸ raised allegations that meet the definition of harm set forth in the MICI Policy. Therefore, processing of the Request will focus on the allegations of potential direct harm raised by the nine Requesters who reside in municipios

⁵ The Management Response sent to the Independent Consultation and Investigation Mechanism (MICI) during the eligibility determination period indicated that the borrower and the Bank agreed to modify Component IV of the program. The number of families that would be resettled was reduced to 400, and the number of residences that would be rehabilitated and upgraded would be approximately 200.

⁶ It should be noted that the Requesters submitted the Request to the MICI on 8 April 2019. However, because of technological incompatibility, the Outlook system sent it to the spam folder, and it was not identified by the MICI until 7 May.

⁷ During the eligibility determination period, one of the individuals who had signed the Request decided to withdraw due to a potential conflict of interest.

⁸ It is important to note that the MICI considers that the Request did not provide enough information to classify the Requesters from the upper and middle basins as parties who may be directly harmed, based on the definition of harm set forth in the MICI policy. Therefore, the processing of this Request will focus on the allegations of potential direct harm raised by the other Requesters. During the Consultation Phase assessment stage, two Requesters who had originally submitted the request and who reside in the middle basin officially notified the MICI that they did not want to continue processing their allegations under the framework of the MICI process.

located in the lower basin. The Eligibility Memorandum, the Request, and its annexes are available for consultation in the MICI's online Public Registry (under case file [MICI-BID-AR-2019-0148](#)).

- 1.18 The Request alleges that the Bank is failing to comply with its Operational Policies and with current Argentine law because program execution started without giving consideration to the basin as a territorial unit, without a comprehensive management plan for the Reconquista River Basin, and without accounting for the river's real capacity as a receiving body. In particular, it claims that an environmental impact study was not conducted in due time and manner prior to execution, that there are no avenues for public input, and that there is no validated, up-to-date public information system on the program's environmental and social impacts.
- 1.19 The Requesters allege that the priority projects have targeted household sewer waste, while initiatives that address industrial waste have been neglected. They claim that due consideration has not been given to the state of the Morón stream. They also say there is no available information on or monitoring of the pollutants that industries dump into the river, nor are there any sanction or remediation systems for major polluters.
- 1.20 The information provided indicates that the entire basin's current, highly polluted state not only causes environmental harm, but also poses serious health risks for the residents of the islands of the Paraná Delta (San Fernando and Tigre), because what happens in the Reconquista's waters affects the Luján, Carapachay, and Paraná Rivers. The Requesters point out that these rivers are the only source of water for island residents, who lack a water supply network.
- 1.21 Their concerns regarding potential harm from this program are based on the harm they allege to have experienced after the Drainage Canal/National Rowing Course works financed by operation 797/OC-AR. The Request says those works altered water flows in the lower basin, bringing the Reconquista's waters to higher grounds than the original outfall. This situation poses harm to their health and quality of life because the delta is the final destination of the discharge of these highly polluted waters. Rising water levels often cause floods in certain parts of the municipios on San Fernando and Tigre islands. Additionally, the Requesters allege that those works brought harm to aquatic wildlife, vegetation, terrestrial fauna, and the wetlands as an ecosystem.
- 1.22 In their opinion, the lack of a comprehensive management approach and complete information means that this program would merely replicate the shortcomings of earlier operations that have failed to clean up the Reconquista River, thereby exacerbating the harm currently suffered by communities in the delta, as described in paragraph 1.21.
- 1.23 Lastly, in the additional information provided, the Requesters stated their interest in the MICI processing their Request through both the Consultation Phase and the Compliance Review Phase.

D. The MICI process to date

- 1.24 Table 1 shows the main actions taken by the MICI from receipt of the Request to date.

Table 1.
Timeline of MICI actions to date

Date	Actions
2019	
7 May	Request received.
10 May	Phone call with the Requesters.
14 May	Request registered and notifications sent to the Requesters and IDB Management.
7 June	Phone call with the Requesters.
11 June	Meeting with project team.
13 June	Management Response received.
14 June to 2 August	Document review and desk work.
27 June	Request for an extension to the eligibility determination period submitted to the Board of Executive Directors for approval by short procedure.
7 July	New deadline for the eligibility determination period approved by the Board of Executive Directors.
15-18 July	Eligibility determination analysis mission to the city of Buenos Aires and communities in the Province of Buenos Aires in the middle and lower Reconquista River Basin to meet with the Requesters, the executing agency, and Management.
23 July	Phone call with the Requesters.
25 July	Receipt of additional information supplementing the Request.
2 August	Eligibility Memorandum issued.

II. CONSULTATION PHASE

A. Regulatory framework

- 2.1 The MICI is governed by the MICI-IDB Policy (document MI-47-6), approved by the IDB Board of Executive Directors 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 by the Requesters. It is based on a series of methods that foster unbiased, equitable treatment of all Parties involved in the process. This phase is also governed by the “Guidelines for the Consultation Phase” (document MI-74), which aim at facilitating the effective application of Section H of the MICI-IDB Policy and, in particular, paragraphs 24 to 35 thereof, supplementing and operationalizing the rules therein.
- 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 conflict resolution 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 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 stage should identify the individuals who could represent the Parties as well as their methodological preferences for a potential process.

- 2.4 The objective of the Consultation Phase Process is to reach an agreement between the Parties to respond 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. Timeline of assessment stage activities

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

Table 2.
Timeline of assessment stage activities

Date	Actions
2019	
12 August	Phone call with the project team leader and a specialist from the IDB Environmental and Social Safeguards Unit.
5-23 August	Review of program documents and context.
13 August	Phone call with the Requesters.
19-23 August	MICI assessment mission. Bilateral meetings held with the Requesters, the IDB project team, and officials from the COMIREC and the Province of Buenos Aires Ministry of Infrastructure.
29 August	Consultation Phase Assessment Report issued.

C. Assessment methodology

- 2.6 In line with the MICI-IDB Policy and the Guidelines for the Consultation Phase, the MICI's team reviewed key documentation and background information, conducted phone and in-person interviews, and visited the city of Buenos Aires. The main objectives of these activities were to study the program context, jointly analyze with the Parties the feasibility of a Consultation Process, determine the topics that the potential Process would cover, and learn the Parties' methodological preferences for a potential dialogue.
- 2.7 The team also analyzed several essential documents for the processing of this case, including: the Request and its annexes, the program loan proposal, the loan contract, and the program's environmental and social evaluations. Before the assessment mission, the MICI's team held phone and/or in-person meetings with the Requesters, the IDB project leader, and the IDB Environmental and Social Safeguards team. During the mission, in-person meetings were held with the project team leader, specialists from the Bank's Environmental and Social Safeguards Unit,

officials from the Province of Buenos Aires Ministry of Infrastructure and the COMIREC, and the Requesters.

III. ANALYSIS

A. Current context and issues

- 3.1 **The issues.** Based on the Request, the supplemental information, and the analysis performed during the Assessment stage, a set of issues that could be addressed by the Parties in any future conflict resolution process were identified. Given the disparities in the amount and quality of the information the Parties have, the process needs to begin with up-to-date program information being shared with the Requesters, including the execution calendar, the indicators for monitoring program objectives, and the current stage of the PGICRR development process. The Requesters expressed a particular interest in hearing about the progress made on the effort to institutionalize the COMIREC and its Honorary Advisory Council and on pilot initiatives for the Morón and Durazno streams, if any such initiatives were planned under the program. It would be worthwhile to give the Requesters an opportunity to ask questions about implementation and offer any suggestions they may have on certain topics. Although some of this information can be found online, this activity will help build a level playing field in terms of knowledge about the program, as a prerequisite to having a meaningful dialogue.
- 3.2 Several specific issues on which opinions could be shared and joint solutions could be explored have been identified. The first concerns the alternatives study to mitigate the discharge of solid waste from the Reconquista River into the Paraná Delta, which, per the Request, has occurred as a result of the construction of the Drainage Canal/National Rowing Course. The second relates to the program's initiatives to rein in major producers of industrial waste in the basin and the corrective and remediation actions that have been taken to that end. Lastly, an opportunity has been identified to discuss the placement of water quality monitoring points throughout the basin and develop a more thorough understanding of the characteristics of the early warning system planned under Component IV of the program.
- 3.3 A draft agenda that was developed with the Requesters and includes these topics was sent to IDB Management and the executing agency on 22 August 2019. A final agenda including all topics and the order in which they will be addressed should be validated at the first dialogue session.
- 3.4 **Background and current context.** Based on conversations with the Parties, the conflict dates back to late 2017, when some of the Requesters who had participated on the COMIREC's advisory boards decided to resign, arguing that consideration was not being given to the basin as a whole and activities were being implemented without a comprehensive plan. For several years and even prior to submitting the Request to the MICI for processing, the Requesters had, individually or partnering with civil society organizations, participated in various forums to monitor the conditions of the Reconquista River.
- 3.5 In September 2017, the Requesters contacted the IDB Representative in Argentina, who put them in contact with the Bank's project team. In February 2018, the project team organized a meeting with the Requesters to share information about the

current status of the program. At that same meeting, the Requesters notified the IDB of their decision to resign from the advisory boards. The two Parties exchanged information in April 2018.

- 3.6 Based on conversations with the Parties since the MICI began its processing of the case, the Requesters' contact with the Bank and the executing agency was broken off in April 2018. Meanwhile, implementation of program works and activities continued. Notably, the development of the Reconquista River Basin Comprehensive Management Plan (PGICRR) began in March 2018, with the award of a contract and its signing by the executing agency and the consulting firm that would develop the plan. Program documents indicate that the development of the PGICRR will take 18 months and will entail the preparation of sector diagnostic studies, a hydrodynamic model for the basin, an information and management system, and three final project designs for priority works. By June 2019, the consulting firm should have submitted two reports: an insights report, including a work plan, and a first progress report.
- 3.7 As for the current context, national, provincial, and municipal elections all take place this year. On 11 August 2019, primary elections were held at the national level and in the Province of Buenos Aires. General elections will take place on 27 October 2019. Under Argentine electoral law, national elections for the President and Vice President can go to a second round, while there is no such provision for provincial elections in the Province of Buenos Aires. Should the national election require a second round, it will take place on 24 November 2019. The elected officials will take office on 10 December 2019.

B. The Parties and their perspectives

- 3.8 In line with the definition set forth in the MICI-IDB Policy, the Parties to the Consultation Process would be the Requesters, the executing agency, and IDB Management.
- 3.9 **The Requesters.** The Requesters stressed the importance of a holistic understanding of the Reconquista River Basin as the whole water body, because what occurs in the upper and middle basins has significant repercussions for the lower basin. Along the same lines, they said they understood that any intervention in the basin should be part of a State policy to ensure continuity and sustainability.
- 3.10 Following up on the concerns in the Request, they noted the poor coordination between the various competent authorities and jurisdictions in the Reconquista River Basin. In addition, they indicated that problems they have pointed out on several occasions have been ignored. In particular, they stressed that the implementation of actions taken to date has been piecemeal, targeting certain municipios and not being part of a comprehensive effort to address the problems of the basin. This is the reason they gave for their resignation from the advisory councils established under the COMIREC framework.
- 3.11 Specifically regarding the program, the Requesters said it could be replicating the failures of past operations because it has been launched without giving consideration to the basin as a territorial unit and because works are being executed without a comprehensive plan. They also claimed that the works have focused thus far on treating household sewer waste, not industrial waste. Beyond the general allegation of environmental harm, they said the current polluted state of the river

adversely affects the only water source of the residents of the islands of the Paraná Delta. Along those lines, their concerns regarding potential harm from this program are based on the harm they allege to have experienced as a result of the Drainage Canal/National Rowing Course works financed by operation 797/OC-AR. According to the information provided, those works negatively impacted their quality of life because they brought the Reconquista's waters to higher grounds than the original outfall, which made the Delta the final destination of those highly polluted waters.

- 3.12 Therefore, they stressed that devising a measure to mitigate the discharge of solid waste and contaminants from the Reconquista River into the Paraná Delta (San Fernando and Tigre islands) is essential. On that point, they said they preferred that a spillway be built to a given height so as to channel the Reconquista's waters back to their original course and only allow excess water to pass over to the Drainage Canal. They also noted that water quality monitoring points should be placed in every stream and at the beginning and end of each of the basin's municipios. Regarding industrial pollution, they stressed the importance of having access to an effluent map that showed the main industrial pollutants, the substances dumped in the river, and mitigation, sanction, and remediation measures.
- 3.13 They also said it was important to have detailed information on water quality monitoring indicators, plant treatment capacity, and the progress, planned activities, responsible parties, and monitoring indicators of the program as a whole. They are interested in learning about the impacts and mitigation measures identified in the program's environmental impact assessments, specifically as regards the lower Reconquista River Basin. Lastly, they said they would like to hear more about the progress made on efforts to institutionalize the COMIREC and create the Honorary Advisory Council, the status of the pilot plan for the Morón stream, and the conditions of the Durazno stream.
- 3.14 The Requesters expressed that they are willing to begin a Consultation Phase process facilitated by the MICI.
- 3.15 **Executing agency.** Both the Ministry of Infrastructure and the COMIREC emphasized their commitment to the execution of this program. They said they had been forging ahead with the implementation of various actions designed to achieve the objectives of cleaning up and managing the basin. Although the information is available online, they expressed their willingness to share information on the progress made and answer any questions that might arise. They also indicated that the COMIREC tried to share informational bulletins on planned and implemented activities after the Requesters had resigned from the advisory councils. However, they noted that the Requesters had indicated that they preferred to suspend all ties with the COMIREC.
- 3.16 As to the progress made, the executing agency said it had implemented activities in the areas of sewers and water quality, industrial pollution, and stream and drainage canal cleanup. It also stressed that, throughout program implementation and as part of the COMIREC's duties, several stakeholder engagement strategies have been employed, which have included diverse stakeholders in the basin (such as municipios, universities, and civil society organizations) as participants. One recent example concerned a pilot industrial inspection and remediation project, which

- included inspectors who would focus initially on regulating industries that are major polluters in the middle basin, near the Morón stream.
- 3.17 The executing agency said the works being executed under the program grew out of the studies and activities that had taken place under the “Program for the Sustainable Management of the Reconquista River Basin” (operation AR-T1083, technical cooperation funding ATN/OC-12571-AR). It indicated that these works will be included in the PGICRR along with those identified as the plan is being developed. It also noted that the program entails the implementation of a monitoring and early warning system, but the specifications of that system were yet to be defined.
- 3.18 The executing agency underscored the importance of being mindful of the fact that any comprehensive solution to the problems of the Reconquista River Basin had to factor in a long-term perspective, since these problems were caused by conditions that had been in place for several decades. It stressed that, in any potential dialogue process, there needed to be clarity about the actions that could be implemented under the program framework. It said any measure considered in that process therefore had to be backed by studies proving technical, economic, and environmental viability. Along the same lines, it emphasized that, if conditions were favorable for initiating a process to jointly identify solutions, having specific topics to address would be essential. Lastly, the executing agency noted the importance of bearing in mind that operation AR0038 (loan 797/OC-AR), mentioned in the Request, had been executed by different agencies than those currently responsible for managing the basin.
- 3.19 The Ministry of Infrastructure, as the agency responsible for technical coordination of the Program through the UCEPO, and the COMIREC, as the authority in the basin, expressed their willingness to participate in a Consultation Phase process. They also indicated that the consulting firm responsible for developing the PGICRR would participate. Depending on the topics on the agenda, different technical offices under the Ministry would provide support.
- 3.20 **IDB Management.** IDB Management stressed its willingness to explore measures to resolve the allegations presented by the Requesters as part of a potential Consultation Phase process. It also stressed its commitment to supervising compliance with its environmental and social safeguards. Like the executing agency, Management expressed its willingness to share information on activities implemented under the program in the past year, particularly in the areas of industrial pollution oversight and development of the comprehensive management plan.
- 3.21 In fact, the project team said it had been posting documents related to environmental and social studies, the program in general, and program updates on the Bank’s website since 2013. Regarding the consultations, IDB Management indicated that more than 15 meetings and consultations had been held since 2013 to discuss the program as a whole, its resettlement components, and its specific works.
- 3.22 Management stressed that the priority works that have been carried out in parallel with the design of the PGICRR grew out of a series of studies and analyses conducted under the “Program for the Sustainable Management of the Reconquista River Basin” (operation AR-T1083, technical cooperation funding ATN/OC-12571-AR). As to the development of the PGICRR, the IDB pointed out

that, as of June 2019, more than 50 meetings had been held with national and provincial agencies, municipios, universities, nongovernmental organizations, and chambers of commerce to explain the process of developing the PGICRR and collect inputs to develop a diagnostic assessment of the basin.

- 3.23 Lastly, IDB officials expressed that a long-term view is essential to addressing the complexity of the basin's problems, which have existed for decades. Management said the program was designed under this premise. Along those lines, it stressed that any additional measure explored as part of a potential dialogue process should have the requisite studies providing technical and environmental support.

IV. CONCLUSION

A. Feasibility of initiating a Consultation Phase process

- 4.1 In accordance with paragraph 29 of the MICI 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 28 August 2019, to the 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 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 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 Policy and the Guidelines. As a result of the assessment and the dialogue with the Parties, the MICI has developed a proposed methodology that integrates several elements.
- 4.4 **Dialogue sessions.** In view of the agenda items and the level of completion of the program, the Consultation Phase process should seek to be limited in duration and in the number of dialogue sessions. Bearing in mind the political context, as the country is in the midst of its national, provincial, and municipal election cycles, and the importance of having a space in which the Requesters, the operating agency, and Management feel comfortable enough to explore solutions to this conflict, it has been agreed that the first dialogue session will take place on 4-5 November 2019.
- 4.5 The first dialogue session will have three main objectives: first, validate the rules of the process so that sessions can be conducted efficiently and the case can be processed effectively; second, share information with the Requesters to create a level playing field in terms of the Parties' knowledge of the current state of the Program and the actions implemented to date; third, come to an agreement on and confirm the issues that will be included on the finalized agenda for the process as well as the order in which those issues will be addressed.

- 4.6 The sessions' participants will always include a facilitator from the MICI roster and a MICI official. The facilitator will propose specific procedural rules for the meetings to the Parties for their approval. In this case, the facilitator will be Ms. Eliana Spadoni, an expert in conflict resolution dialogue and alternative conflict resolution methods with over 15 years of experience in designing and facilitating participatory processes in various Latin American and Caribbean countries.
- 4.7 **Representation.** Those who represent the Parties at the dialogue sessions will have decision-making authority and will ensure that they are present during the entire process. The group of individuals who signed the Request will be represented by between four and five Requesters, one of whom will have the right to speak at the meetings. The Requesters may have a technical advisor, who would participate as an observer. The executing agency will be represented by a delegation consisting of staff from the UCEPO, relevant technical offices of the Provincial Ministry of Infrastructure, the company hired to develop the PGICRR, and the COMIREC. 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 have agreed that the IDB Country Office in the city of Buenos Aires would be a good place to conduct the dialogue sessions due to its convenient location. IDB Management said it was willing to provide the space.
- 4.9 **Meeting documentation.** The MICI will keep a detailed record of the topics 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. 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 networks, 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: the engagement of the aforementioned facilitator, who will be tasked with facilitating the work sessions to help build trust between the Parties and seek to reach agreements that address the problems raised in the Request; a limited number of missions to Argentina, so one or two MICI officials can participate in dialogue sessions; transportation services, if necessary, to bring the Requesters' representatives to the city of Buenos Aires from their place of residence; and logistical support services to effectively conduct dialogue sessions.

D. Tentative timeline

- 4.12 Pursuant to paragraph 31 of the MICI Policy, the MICI will complete the Consultation Phase process within a maximum period of 12 months. However, based on the information contained in this report, the MICI believes that the dialogue stage will last approximately four months from the date this report is issued.