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AND INVESTIGATION MECHANISM

AR-MICI001-2010

**FOURTH MONITORING REPORT
CONSULTATION PHASE**

**MULTIPHASE PROGRAM FOR THE DEVELOPMENT OF
PRODUCTION SUPPORT INFRASTRUCTURE IN ENTRE RÍOS**

**(AR-L1036)
(1914/OC-AR)**

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Fourth Monitoring Report: December 2014 – November 2015

Case AR-MICI001-2010

Multiphase Program for the Development of Production
Support Infrastructure in Entre Ríos (AR-L1036)

CONSULTATION PHASE

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**MULTIPHASE PROGRAM FOR THE DEVELOPMENT OF PRODUCTION SUPPORT
INFRASTRUCTURE IN ENTRE RÍOS (AR-MICI001-2010)**

FOURTH MONITORING REPORT

Period: December 2014 – November 2015

I. EXECUTIVE SUMMARY

- 1.1 Pursuant to paragraph 35 of the Policy of the Independent Consultation and Investigation Mechanism (ICIM), this report is issued to report the progress made over the period of reference (December 2014 to November 2015) on the commitments assumed by the Parties under the Memorandum of Understanding and Commitment (“Memorandum” or “Agreement”) signed in December 2012 in Case AR-MICI001-2010, regarding the Multiphase Program for the Development of Production Support Infrastructure in Entre Ríos (AR-L1036). The progress related in this report builds on the advances made during the periods from January through August 2013, from September 2013 through March 2014, and from April 2014 through November 2014, which are documented in the respective monitoring reports.¹
- 1.2 During the period covered by this report, the ICIM conducted a visit of the project site to: (a) verify directly the progress reported on the Agreement; (b) verify the status of the work, on which several points of the Agreement depend; (c) bring the Parties together to identify challenges in the activities pending fulfillment; and (d) update the timeline for implementation of the actions under the Agreement in collaboration with the Parties for their individual monitoring, with a view to bringing the monitoring process to a close in the near future.
- 1.3 The visit conducted by the ICIM verified that: (a) the work on the transformer station is complete, all lines are expected to be operating in May 2016, and the transformer station is expected to be fully operational in July 2016; (b) several of the agreed upon activities have been 100% fulfilled; (c) two of the activities are dependent on completion of the work; (d) the Citizen Participation Committee (CPC) continues its work and is actively operating with the support of the facilitation team hired by ENERSA; (e) difficulties have been observed regarding the fulfillment of one of the agreed upon activities so the Parties are considering alternatives; (f) the IDB project team is closely monitoring fulfillment of the Agreement in support of the Mechanism; and (g) certain points of the Agreement depend on third parties and are therefore beyond the direct control of the Parties; ENERSA has reiterated its commitment to take the actions at its disposal to encourage the fulfillment thereof.
- 1.4 To date, all of the activities considered in the Agreement have either been fulfilled or are in the process of fulfillment.² In the period covered by this report, the ICIM conducted special monitoring of the activities set forth in the timeline prepared by the Parties during the ICIM's November 2014 visit. The ICIM will continue to play an active supervisory role in

¹ Documents MI-13-2 ([First Monitoring Report](#)), MI-13-3 ([Second Monitoring Report](#)), and MI-13-4 ([Third Monitoring Report](#)).

² Annex 1 lists the 22 activities agreed upon and the fulfillment status of each one as of this report's preparation date.

order to streamline the process, with a view to concluding supervision in the near term and maintaining the fluidity of communications between the Parties.

II. BACKGROUND ON MONITORING FROM THE ICIM POLICY

- 2.1 Paragraph 35 of the ICIM Policy establishes that³ “[t]he ICIM will submit a monitoring report to the Board (or the Donors Committee) for information at least annually, which will be published in the Public Registry.”

III. BACKGROUND ON THE CASE

- 3.1 The background of case AR-MICI001-2010 and the public documentation on the case are available for consultation in the ICIM's Public Registry 2010-2014.
- 3.2 Regarding the monitoring of the Agreement, see the first three monitoring reports issued: [First Monitoring Report](#); [Second Monitoring Report](#), and [Third Monitoring Report](#).

IV. ACTIONS TAKEN DURING THE REPORTED MONITORING PERIOD

- 4.1 During the period from December 2014 through November 2015, the ICIM monitored the progress of activities pending fulfillment through participation via videoconference in the CPC's monthly meetings, written communications with the Parties, and periodic reports issued by the facilitation team hired by ENERSA, in fulfillment of the Agreement. Moreover, on 10, 11, and 12 November, a Consultation Phase team conducted a field visit with the following objectives:
- a. to verify firsthand the progress reported on the Agreement, as well as the progress on the construction works on which several actions contained in the Agreement depended;
 - b. to meet with the Parties to identify challenges associated with the activities pending fulfillment; and
 - c. to update the timeline for implementation of the actions under the Agreement in collaboration with the Parties for their individual monitoring, establishing deadlines for bringing the monitoring process to a close.
- 4.2 During the field visit, the ICIM held individual meetings with one of the Requesters and with ENERSA representatives, and a joint meeting with both Parties. It also had the opportunity to meet with the consultant hired by the IDB project team to monitor the project and the Agreement. During the mission, it also visited the site where the transformer station was being built and the El Brete neighborhood.
- 4.3 As of the date of the visit, the work was practically complete. As of the date of this report, the activities indicated in the following paragraphs had been completed.

³ See basic documents at: <http://www.iadb.org/mici>. The Agreement in this case was reached under the 2010 policy, in effect through 17 December 2014, <http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=39313633>.

4.4 With respect to the visual impact mitigation measures:

- a. A second measurement was taken of the gantries and guard cable end loops. The result of that measurement will be explained to the Requesters within the CPC, after which a document will be prepared indicating whether the Parties consider this item to be fulfilled;
- b. Once installed, the structures of the 132 kV lines will be painted a cement gray color, in accordance with the decision reached by the residents within the CPC and authorized by the regulatory authority;
- c. ENERSA noted that, due to security concerns, installing the wire mesh fence with vines was not possible, so the Parties agreed to identify an alternative measure within the CPC. Among the options that will be considered are enhancing the grove's coverage in areas of higher elevation, and the possibility of introducing the revegetation process on sites currently occupied by temporary facilities for the construction of the transformer station, once these facilities have been removed;
- d. Within the CPC, measures will be identified for maintaining and caring for the perimeter forest shelterbelt, which is showing some signs of deterioration;
- e. The natural revegetation process on the transformer station's 16 hectare plot has been partially completed;
- f. The executing agency has maintained the grove under the shunt line, and its current height does not pose a safety risk for the transformer station. Citing safety concerns, the executing agency indicated that maintenance activities would be necessary to reduce the grove's height, should it grow. This obligation will be transferred to TRANSANER by means of an easement contract; and
- g. Given the progress of the work, ENERSA will not require the opening of public streets. Fulfillment of this activity is ongoing.

4.5 With respect to activities designed to improve infrastructure conditions in the El Brete neighborhood:

- a. The works to provide three-phase power are complete, and the residents have confirmed fulfillment of this point of the Agreement. In the event that residents request the installation of such power in their homes, ENERSA will comply, provided that the necessary adjustments have been made in the homes;
- b. The neighborhood improvement activities are currently paralyzed since they depend on third parties and are therefore beyond the control of the Parties; however, the Parties will reinstate the necessary procedures with the new authorities;
- c. Regarding the road safety measures (route 168), the Provincial Road Directorate has included the construction of the acceleration and deceleration ramps requested in the works, which are currently being built on the road; however, these works are at a standstill until their financing is identified; and

- d. The paperwork filed by the Parties involved in the construction of the health care center have not led to progress, so viable alternatives are being considered for the funds initially earmarked by ENERSA for the health care center, including the creation of an educational center. Any alternative use will require all of the Requesters to formally request it from ENERSA, so that it can begin the necessary internal procedures.
- 4.6 With respect to the creation of a private natural protected area, the Folonier family will submit the necessary documentation to ENERSA, which, through the facilitation team, will work with it on the matters where it is able to assist.
- 4.7 The CPC continues to operate, meeting monthly to monitor the agreements. It will decide how to continue implementing the Citizen Participation Plan once the monitoring of the commitments reached in the ICIM process ends, and will also serve as the mechanism for informing the residents of the results of the annual measurements taken in accordance with the environmental and social management plan.
- 4.8 In short, at the time this report was issued, the Parties have confirmed that the following points of the Agreement are fulfilled or in process:⁴

	AGREEMENT/ACTIVITY	Status
1	Reduce the height of the crossbeam of the gantries and the length of the end loops of the guard cables.	IN PROCESS
2	Maintain the grove under the shunt line	FULFILLED (ongoing activity)
3	Paint the structures of the 132 kV lines a color that minimizes their environmental impact	IN PROCESS
4	Engage the services of a landscape expert	FULFILLED
5	Natural revegetation	IN PROCESS
6	No requests for the opening of public streets	FULFILLED (ongoing activity)
7	Supply of three-phase power: complete construction of infrastructure to supply power	FULFILLED
8	Supply of three-phase power: adapt home connections to receive power	FULFILLED
9	Improve public lighting	IN PROCESS
10	Improve road network	IN PROCESS
11	Improve provision of water service	IN PROCESS
12	Road safety measures (route 168)	IN PROCESS
13	Health care center: steps for donation of land	IN PROCESS ALTERNATIVE MEASURE
14	Health care center: financing	IN PROCESS ALTERNATIVE MEASURE
15	Request to create private natural protected area	IN PROCESS
16	Review implications of request to create private natural protected area	FULFILLED
17	Engage the services of experts in citizen participation	FULFILLED
18	Form Committee and develop participation plan (procedures manual).	FULFILLED
19	Implementation of Citizen Participation Plan	FULFILLED
20	Withdraw lawsuits	FULFILLED
21	Abstain from individual contact with the media	FULFILLED

⁴ Including activities undertaken as of the signature of the Agreement and up to the date of issue of this report.

V. NEXT STEPS AND CONCLUSIONS

- 5.1 The ICIM field visit provided firsthand knowledge of the current status of each of the activities pending fulfillment and the challenges and opportunities for each of the Parties, the verification of the progress on the transformer station works, and the determination of specific deadlines to bring monitoring of the agreements to a close in the near future.
- 5.2 The visit confirmed fulfillment of several of the agreed upon activities and that, for all other points of the Agreement still not completely fulfilled, activities had been undertaken aimed at their fulfillment (See Annex I).
- 5.3 There is a notable will among the Parties to work together, in a cordial and collaborative context, on fulfillment of the agreed upon commitments and with a view to closing the monitoring stage soon.
- 5.4 Also noteworthy is the active role in monitoring fulfillment of the Agreement by the project team in the IDB Country Office in Argentina, as well as its proactive collaboration with the ICIM in the process.
- 5.5 On the basis of all of the above, the Parties, with the support of the ICIM, established a timeline of specific activities that has enabled timely progress on each of the points of the Agreement.
- 5.6 Consequently, during the next six months, the following activities are planned:
 - a. The ICIM will continue to monitor the Agreement: (i) through participation—via videoconferencing—in CPC meetings and through sharing of communications with the Parties and the facilitation team, and (ii) through ongoing contact with the IDB's local consultant;
 - b. The CPC will continue to hold the periodic meetings it has established, with the support of the facilitation team, reporting to all of the Parties, the ICIM, and the project team on the activities planned in the timeline, as well as on any obstacle hindering fulfillment of each activity in the established time frame; and
 - c. The Consultation Phase team is expected to conduct a mission to the project site in mid-2016 to verify fulfillment of the activities and to finalize the closing stage of monitoring.

ANNEX I. COMMITMENT MONITORING TABLE

Action	Agreed Activity	Responsible Party	Status
1	Engage the services of a landscape expert	ENERSA	Fulfilled
2	Install a wire mesh fence and plant vines	ENERSA	Alternative measure pending
3	Natural revegetation process	ENERSA	Partially fulfilled
4	Reduce the height of the crossbeam of the first gantry and the length of the end loops of the guard cables	ENERSA	Pending
5	Paint transmission line pylons	ENERSA Citizen Participation Committee	Pending
6	Maintain the height of the grove under the shunt line	ENERSA TRANSENER	Fulfilled Ongoing activity
7	No requests to be made for the opening of public streets to access transformer station or to lay and maintain high voltage lines	ENERSA TRANSENER	Fulfilled Ongoing activity
8	Health care center: steps for donation of land	Residents Support from ENERSA	Pending
9	Health care center: financing to build and equip the center	ENERSA	Pending ENERSA has funds reserved to fulfill this point
10	Supply of three-phase power: construction of infrastructure works to supply power	ENERSA	Fulfilled
11	Supply of three-phase power: adaptation of home connections	Residents who require this service	Fulfilled
12	Improve public lighting	Superior Government of Entre Ríos Province Municipality of Paraná (cooperation framework agreement for additional work in the El Brete neighborhood)	Pending
13	Improve road network	Superior Government of Entre Ríos Province Municipality of Paraná (cooperation framework agreement for additional work in the El Brete neighborhood)	Pending
14	Improve provision of drinking water service	Superior Government of Entre Ríos Province Municipality of Paraná (cooperation framework agreement for additional work in the El Brete neighborhood)	Pending
15	Road safety measures	Provincial Road Directorate	Pending

Action	Agreed Activity	Responsible Party	Status
16	Supplement and adjust request for a private natural protected area in the vicinity of the transformer station	Folonier family Support from ENERSA	Pending
17	Review implications of request to create private natural protected area	ENERSA Folonier family	Fulfilled
18	Engage consultant to design the Committee's operating procedures	ENERSA	Fulfilled
19	Form Committee and develop participation plan (procedures manual)	Residents ENERSA	Fulfilled
20	Implementation of Citizen Participation Plan	Citizen Participation Committee	Fulfilled
21	Withdraw lawsuit in Case 13,891 filed with the Civil and Commercial Court of First Instance 7, Entre Ríos Province	Folonier family	Fulfilled
22	Abstain from individual contact with the media	Parties	Fulfilled