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AND INVESTIGATION MECHANISM

**MICI-BID-AR-2015-0097**

**ELIGIBILITY DETERMINATION MEMORANDUM**

**NORTE GRANDE PROVINCES DEVELOPMENT PROGRAM**

**(AR-L1136)**  
**(2776/OC-AR)**

This document was prepared by Victoria Márquez Mees, MICI Director.

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

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#### ELECTRONIC LINKS

1. Original Request (link not included per confidentiality request of the Requesters)
2. Management Response (redacted version per confidentiality request of the Requesters)  
<http://www.iadb.org/document.cfm?id=40193285>
3. Project profile, Norte Grande Provinces Development Program: Water and Sanitation Infrastructure (AR-L1136) <https://idbdocs.iadb.org/wsdocs/getdocument.aspx?docnum=36801963>
4. Loan proposal, Norte Grande Provinces Development Program: Water and Sanitation Infrastructure (AR-L1136) <http://www.iadb.org/Document.cfm?id=37059516>
5. Environmental impact assessment, main sewer and liquid effluent treatment plant, City of Santiago del Estero, Norte Grande Provinces Development Program: Water and Sanitation Infrastructure (AR-L1136) <http://www.iadb.org/Document.cfm?id=36932464>

## EXECUTIVE SUMMARY

On 5 February 2016 a Representative submitted a Request to the MICI, asking that the identity of the Representative and the parties represented be treated as confidential. The request was supplemented with additional information on 9 February 2016.

The Request alleges that one of the works under the multiple-works program, “Norte Grande Provinces Development Program” (loan AR-L1136), approved by the IDB Board of Executive Directors on 13 September 2012, was harming a group of families who were being evicted from their dwellings without regard for national laws and the Bank’s Operational Policy on Involuntary Resettlement (OP-710).

In the Request, the Representative also reports that contact was made with Management of the Bank from 4 to 9 February 2016.

The project is a sovereign guaranteed investment loan operation for a multiple-works program in the water and sanitation sector for an amount of up to US\$500 million (with a counterpart of US\$55 million). The borrower is the Argentine Republic, and executing agency is the Ministry for Federal Planning, Public Investment, and Services (MPFIPyS).

In accordance with Section G of the MICI Policy (document MI-47-3), and given that the Requesters have withdrawn the complaint, the MICI Director concludes that **this Request is ineligible for the MICI process, since it could not be determined whether the work that was subject of the complaint was tied to a Bank-financed Operation.**

Notice of this determination is given directly to the Requesters, Management, and the Board of Executive Directors by means of this Memorandum, and to interested third parties through the Public Registry. The processing of Request MICI-AR-2015-0097 is concluded with this notification.

## I. THE PROJECT<sup>1</sup>

- 1.1 The “Norte Grande Provinces Development Program: Water and Sanitation Infrastructure” (loan AR-L1136) is a sovereign guaranteed investment loan operation for a multiple-works program in the water and sanitation sector, approved by the IDB Board of Executive Directors on 13 September 2012 for an amount of up to US\$500 million (with a counterpart of US\$55 million). The borrower is the Argentine Republic, and executing agency is the Ministry for Federal Planning, Public Investment, and Services (MPFIPyS).
- 1.2 The objective of the program is to improve water and sanitation sector service and efficiency in the provinces of the Norte Grande of Argentina by financing projects to: (i) increase coverage and improve potable water and sanitary and stormwater sewerage services in unserved or underserved areas; and (ii) strengthen sector entities in the provinces and improve service provider operational and financial efficiency and management.
- 1.3 The program consists of multiple works under the following components: (i) water and sanitation systems to expand coverage of clean drinking water and sewer services, especially for low-income users, through investments in works to build, improve, and/or expand water supply systems and wastewater collection and treatment systems; and (ii) improvement of operational management, which includes: (a) strengthening the operational management capabilities of water and sewer utilities; and (b) strengthening the management of provincial agencies related to execution of the program-financed projects, such as environmental oversight of works execution and public utility regulation.
- 1.4 The selected sample includes the main sewer, liquid effluent treatment plant, and residential collector project in the city of Santiago del Estero, which is the capital of the province of the same name. The main sewer project involves the construction, installation, and commissioning of: (i) the system of sewer mains (open excavation, directional drilling, and microtunneling); (ii) an effluent treatment plant; and (iii) the sewer network. The comprehensive sewage management solution project is divided into two stages. The first stage will include the residential collector networks for 15,000 new connections, the system of sewer mains and pressure line to the treatment plant, and the plant with a capacity equivalent to 180,000 inhabitants. The second stage, to meet the needs of the 20-year design horizon, includes the residential collectors and sewer mains to extend service to 15,000 additional connections, and expansion of the plant to a capacity equivalent to 360,000 inhabitants.
- 1.5 The program has been classified as category “B” under the Environment and Safeguards Compliance Policy (Operational Policy OP-703). Based on the project documentation, the operational policies identified for the program are the Environment and Safeguards Compliance Policy (OP-703), Access to Information Policy (OP-102), and Disaster Risk Management Policy (OP-704).

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<sup>1</sup> The information in this section has been drawn from several Bank documents accessible in the electronic links section.

## **II. THE REQUEST<sup>2</sup>**

- 2.1 The Representative of Requester families residing in Santiago del Estero submitted a Request in relation to the program on 5 February 2016, asking that the identity of the Representative and Requester families be treated as confidential due to fears of retaliation.
- 2.2 The Request claims that the families are being evicted involuntarily from their dwellings as a consequence of the works to widen the Desagüe Pluvial Sur [South Storm Drain] (DPS) without regard for national laws and the Bank's Operational Policy on Involuntary Resettlement (OP-710). The Requesters further allege noncompliance with the Access to Information Policy, as they did not have access to the environmental and social impact study for the work.
- 2.3 The Request offers additional details on abuse and harassment by the police.
- 2.4 Prior to submitting the Request to the MICI, the Representative communicated with the IDB Country Office in Argentina and was informed by Bank staff that the work in question was not part of the Bank-financed Operation and the program involved no resettlement, so they could take no action in such regard.
- 2.5 In subsequent communications with Management and the MICI, however, the Representative maintained that the work is indeed part of the program, offering as evidence the information contained in the environmental and social impact study available on the Bank's website.

## **III. MANAGEMENT RESPONSE<sup>3</sup>**

- 3.1 In accordance with paragraph 21 of the MICI Policy, IDB Management was given notice of registration of Request MICI-AR-2015-0097 on 11 February 2016. On 14 March 2016, within the 21-day time limit established in the Policy, the MICI received Management's response setting out its views on the issues raised in the Request. The Response is summarized briefly below and can also be consulted in the electronic links section of this Memorandum.
- 3.2 In it, Management reports on contacts with the Representative on 4 and 9 February 2016. On 5 February 2016, Management states, it responded to the letter of 4 February that "neither the DPS work nor the resettlement actions associated with it are financed with Bank resources"<sup>4</sup> and responded in the same way to the letter sent to Management by the Representative on 9 February.
- 3.3 In its Response, Management also informed the MICI that the program included construction of a pressure line and sewage treatment plant, but the sewer pipe followed a path away from the affected area indicated by the Representative.
- 3.4 In closing, Management stated that the Bank did not finance the DPS work that was subject of the complaint or any resettlement in that area.

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<sup>2</sup> The Request is available in the electronic links section of this document.

<sup>3</sup> Management's response is available in the electronic links section of this document.

<sup>4</sup> Management Response, paragraph 2.2.

#### IV. MICI ACTIONS

- 4.1 In accordance with Section G of the MICI Policy and the eligibility criteria of paragraph 22, the process for determination of eligibility followed the timeline below:

**Table 1**  
**Timeline of MICI Actions**

Date	Actions
5 February 2016	Receipt of Request.
9 February 2016	Receipt of additional information.
11 February 2016	Registration of the Request and notice to the Requesters and Management.
14 March 2016	Management Response.
16 March 2016	Management Response sent to Requesters, and tentative dates proposed for eligibility mission.
18 March 2016	Representative communicates to the MICI that the Requesters have decided not to pursue the MICI process, given progress on negotiations with the local authorities.
12 April 2016	Eligibility Memorandum issued.

- 4.2 Given the statements made by the Requesters and Management regarding whether the work that was subject of the complaint was part of the Bank-financed program, the MICI called for an eligibility mission to verify firsthand the information received from the two parties.
- 4.3 However, once tentative dates were proposed for the mission, the Requesters had asked the MICI not to pursue the process since other avenues of resolution had been identified and they believed a mission might delay the agreements being reached. Consequently, the MICI could not determine whether the complaint was tied to a Bank-financed Operation.
- 4.4 We are grateful to the Requesters, their Representative, and Management of the Bank for their time and support of the MICI process.

#### V. DETERMINATION OF ELIGIBILITY

- 5.1 Under paragraph 22 of the Policy, a Request will be deemed eligible by the MICI if it is determined that it meets all of the following criteria:
- The Request is filed by two or more persons who believe that they have been or may be affected and who reside in the country where the Bank-financed Operation is implemented. If the Request is filed by a representative, the identity of the Requesters on whose behalf the Request is filed will be indicated and written proof of representation will be attached.
  - The Request clearly identifies a Bank-financed Operation that has been approved by the Board, the President, or the Donors Committee.
  - The Request describes the Harm that could result from potential noncompliance with one or more Relevant Operational Policies.

- d. The Request describes the efforts that the Requesters have made to address the issues in the Request with Management and includes a description of the results of those efforts, or an explanation of why contacting Management was not possible.
  - e. None of the exclusions set forth in paragraph 19 of this Policy apply.
- 5.2 At the request of the Requesters, the MICI concludes the processing of this Request due to a lack of substantive basis and inability to determine whether it is tied to a Bank-financed Operation. The Request is deemed ineligible since it does not meet the criterion of paragraph 22(b) that a Request must clearly identify a Bank-financed Operation.
- 5.3 Notice of this determination is given directly to the Requesters, Management, and the Board of Executive Directors by means of this Memorandum, and to interested third parties through the Public Registry, once distributed to the Board of Executive Directors. The processing of Request MICI-AR-2015-0097 is concluded with this action.