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INVESTIGATION MECHANISM

**ARGENTINA**

**MICI-BID-AR-2021-0164**

**SECOND MONITORING REPORT ON THE CONSULTATION PHASE AGREEMENTS**

**DEVELOPMENT PROGRAM FOR METROPOLITAN AREAS OUTSIDE THE CAPITAL II**

**(AR-L1243)  
(3780/OC-AR)**

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LINKS
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## **ABBREVIATIONS**

Bank or IDB	Inter-American Development Bank
ECOM	Ente de Coordinación Metropolitana de Rosario (Rosario Metropolitan Coordination Entity)
MICI or Mechanism	Independent Consultation and Investigation Mechanism of the IDB Group
MDTyH	Ministerio de Desarrollo Territorial y Hábitat de la Nación (Ministry of Territorial Development and Habitat)
Parties or Stakeholders	The Requesters, Management, the Borrower, the Client, and/or the executing agency, as applicable
MICI Policy	The policy approved by the IDB Board of Executive Directors in December 2014 and updated on 14 April 2021, which governs the MICI's processing of Requests related to operations financed by the IDB or the MIF (document MI-47-8)
Program	Development Program for Metropolitan Areas Outside the Capital II (loan AR-L1243)

## EXECUTIVE SUMMARY

The objective of the project “Redevelopment and Modernization Plan for the Site of the Eva Perón Teaching Hospital and Juan Domingo Perón Boarding School” is to redevelop and modernize a 53-hectare urban site located in the downtown area of Granadero Baigorria in the Province of Santa Fe, Argentina, which is of historical, urban, and environmental importance for the area. The major works planned under the project include: (i) construction of new streets; (ii) infrastructure for water, sewer, gas, and electricity services; (iii) installation of public lighting and street furniture; (iv) leveling of natural terrain; (v) creation of rainfall reservoirs, intakes, and connections to the city’s storm drain network; and (vi) forestation of green areas.

The involvement of the Inter-American Development Bank (IDB) has been through the “Development Program for Areas Outside the Capital II” (loan AR-L1243), a sovereign-guaranteed investment loan under the multiple-works modality, approved by the Board of Executive Directors on 26 October 2016. The program’s objective is to improve public services and infrastructure in metropolitan areas that require cooperation between two or more territorial jurisdictions. Bank records indicate that the program is now in implementation. The guarantor of the operation is the Argentine Republic, and its executing agency is the Ministry of Territorial Development and Habitat, together with the Office of the Deputy Secretary for Externally Financed and Investment Projects of the Province of Santa Fe’s Ministry of the Economy, as subexecuting agency. This program is the first individual operation under the conditional credit line for investment projects (CCLIP) for the Development Program for Metropolitan Areas Outside the Capital (AR-O0001), the objective of which is to enhance the quality of life of the population in metropolitan areas.

On 9 February 2021, the MICI received a Request from 81 residents of the city of Granadero Baigorria in the province of Santa Fe, Argentina. The Requesters have asked that their identities remain confidential pursuant to paragraph 15 of MICI Policy document MI-47-8. They were also represented during the MICI Consultation Phase by two residents who are also part of the group of Requesters.

The Request recounted allegations of harm related to adverse impacts on the environment, the Requesters’ health, and the city’s historical heritage tied to the works and commissioning of the intervention envisaged for the site of the Eva Perón Teaching Hospital and Juan Domingo Perón Boarding School. The group of Requesters claim that these adverse effects and impacts were not properly identified prior to the intervention in the area and allege that there has been a lack of meaningful consultation processes, timely information, and public communication channels with the affected population.

The Request was declared eligible on 27 May 2021. The MICI Consultation Phase Process began on 22 July of the same year and concluded with an agreement signed on 23 August 2021. Due to the restrictions on movement in effect during the COVID-19 pandemic, the entirety of the process of facilitated dialogue and interactions between the Parties was conducted virtually. Some of the most important measures agreed upon include: an increase in the number of trees

to be planted, for a total of 800, keeping to a proportion of 80% native species and 20% exotic species; community participation in the Site Management Committee; designation of the site as a public green space with State-owned equipment for athletic, recreational, or cultural use, whose use for private residential ends is prohibited; installation of signage and speed reduction features on Chacabuco Street, which crosses the site in the north-south direction; alleviation of visitor traffic on the site's main access road by closing it off and not connecting Paine and Urquiza Streets to that sector; and modification of official documents, signage, and notices that include the site's name, changing it from the "Paganini" complex to the "Site of the Eva Perón Teaching Hospital and Juan Domingo Perón Boarding School."

This report recounts the actions taken during the period from October 2022 to October 2023. During this period, there was a meeting of the monitoring committee and a field mission in December 2022. The MICI also remained in constant contact with the Parties through bilateral meetings, to ascertain and jointly evaluate progress toward fulfillment of the commitments.

During the second year of monitoring, the MICI has monitored the implementation of point 1 of the Agreement, related to planting 801 trees. Accordingly, the MICI recorded that the Agreement has been implemented in two stages: a first attempt to plant the 801 trees, running into difficulties with approximately 500 trees; and a second attempt, replanting all the trees that had initially run into difficulties. At the time of this report, the majority of the replanted trees have sprouted, and there is another smaller group of trees that have not yet sprouted but show signs of life and should be monitored for growth. Regarding point 2 of the Agreement, the terms of reference for the consulting services included what had been agreed on 23 August 2021. These consulting services are 83% executed. Point 3 is being implemented and, as the executing agency reported to the MICI, the transfer of streets to the municipio is in the process of passage of a provincial law, which has been taken up by the Senate of the Province of Santa Fe. The language agreed upon in August 2021 will be added at the time of transfer. Regarding point 4, the MICI recorded that speed bumps and signs were installed on the streets within the site, as well as a double row of barrier rails on Paine and Urquiza streets where they intersect with the street that runs in front of Evita's Chalet. Point 5 is 100% implemented.

During the next year, the MICI will continue monitoring activities by organizing and facilitating dialogue sessions virtually and in person. The MICI will make at least one mission to Granadero Baigorria, to facilitate meetings in person with the Parties and assess progress on compliance with the Agreement. The third annual monitoring report will be issued in November 2024, recording actions taken and progress achieved.

## I. CASE BACKGROUND

- 1.1 The “Development Program for Metropolitan Areas Outside the Capital II” (loan AR-1243) (the “program”) is a sovereign-guaranteed investment loan approved by the Board of Executive Directors on 26 October 2016. The original loan amount was US\$100 million, which was later adjusted to US\$50 million. Of that amount, US\$40 million was contributed by the Bank, and the rest is the local counterpart. The guarantor of the operation is the Argentine Republic, and its executing agency is the Ministry of Territorial Development and Habitat, together with the Office of the Deputy Secretary for Externally Financed and Investment Projects of the Province of Santa Fe’s Ministry of the Economy, as subexecuting agency. The program’s objective is to improve public services and infrastructure in metropolitan areas that require cooperation between two or more territorial jurisdictions. Bank records indicate that the program is now in implementation.
- 1.2 The program will finance institutional strengthening projects for metropolitan entities responsible for interjurisdictional coordination, as well as the urban infrastructure investments necessary to improve the delivery of metropolitan services, with an emphasis on a comprehensive, multisector approach. The program has two components:
- **Component 1 – Support for the governance of metropolitan areas**, which will finance: (i) diagnostic assessments of metropolitan problems; (ii) training and knowledge-sharing workshops for technical staff, political officials, and civil society; (iii) technical assistance for strengthening the metropolitan approach; and (iv) dissemination of good practices for positioning and documenting experiences in metropolitan management.
  - **Component 2 – Management of metropolitan areas**, which supports implementation of metropolitan projects through two subcomponents: Subcomponent 2.1, Institution-strengthening, which seeks to consolidate provincial and municipal capacities to address the problems in metropolitan areas, and Subcomponent 2.2, Metropolitan investments, to finance public works that require coordinated action by two or more territorial jurisdictions.
- 1.3 The program was designed under the multiple-works modality because it was to finance various projects that are physically similar but independent of each other, with the following eligibility criteria: the works must take place in communities with more than 100,000 inhabitants and boundaries that exceed the jurisdictional limits of a single municipio or province.
- 1.4 On 9 February 2021 the MICI received a Request from 81 residents of the city of Granadero Baigorria in the Province of Santa Fe, Argentina. The group of Requesters have asked the MICI to keep their identities confidential pursuant to paragraph 15 of the MICI Policy (document MI-47-8). The Requesters were represented before the MICI by two residents who are among the group of 81 persons.



- 1.5 In the Request, the Requesters described potential harm to the environment, their health, and the city's historical heritage, tied to the construction and commissioning of works as part of the project "Redevelopment and Modernization Plan for the Site of the Eva Perón Teaching Hospital and Juan Domingo Perón Boarding School."
- 1.6 The Request was declared eligible on 27 May 2021. The MICI Consultation Phase process began on 22 July 2021 after an evaluation regarding the feasibility of conducting a dialogue process.
- 1.7 During the Consultation Phase process, the MICI convened and facilitated three rounds of structured dialogue, following up the subjects predefined by the Parties in the agenda and using a methodology approved by consensus at the start of this Request. As a result of the three rounds, the Parties reached an Agreement on 23 August 2021, which sets out a series of measures intended to address the issues described in the Request. In particular, the Agreement provides for an increase in the number of trees to be planted, for a total of 800 and keeping to a proportion of 80% native species and 20% exotic species; community participation in the Site Management Committee; designation of the site as a public green space with State-owned equipment for athletic, recreational, or cultural use, whose use for private residential ends is prohibited; installation of signage and speed reduction features on Chacabuco Street, which crosses the site in the north-south direction; alleviation of visitor traffic on the site's main access road by closing it off and not connecting Paine and Urquiza Streets to that sector; and modification of official documents, signage, and notices that include the site's name, changing it from the "Paganini" complex to the "Site of the Eva Perón Teaching Hospital and Juan Domingo Perón Boarding School."
- 1.8 Regarding monitoring of the agreed commitments, the Parties agreed to create a Monitoring Committee, consisting of one representative from the Requesters, one representative from IDB Management, one representative from the executing agency, and one representative from the subexecuting agency. The Parties also asked for the MICI to be involved in the monitoring. The monitoring plan that the MICI submitted to the IDB Board of Executive Directors was approved on 27 September 2021 via the short procedure.
- 1.9 In October 2022 the MICI issued the First Monitoring Report on the Consultation Phase Agreements, corresponding to the period from September 2021 to September 2022. During that period the MICI noted significant progress on point 1 of the Agreement, with 560 trees already planted. Point 2 was in the process of contracting consultants, and the terms of reference included what had been agreed on 23 August 2021. The executing agency had reported that commitments 3 and 4 would be fulfilled upon completion of the construction work. Point 5 was 100% implemented. The MICI noted that the Parties had different perceptions regarding point 4.2 of the Agreement, which provides that Paine and Urquiza Streets approaching the Parana River would end at the parking lots that are already built, and that the streets would remain separate and would not intersect with the street where Evita's Chalet is located. The executing agency and the subexecuting agency had maintained that the two parking lots are separated by a double row of barrier rails that prevent cars from entering. On the other side of the

parking lot on Paine Street, at the request of the complainants, trees were planted and cement barriers were installed to avoid the impression that this street continued.

- 1.10 The background of case MICI-BID-AR-2021-0164 and the public documentation developed in the context of the process can be consulted in the [case file](#) in the MICI's Public Registry.<sup>1</sup>

## II. MICI POLICY AUTHORITY FOR THE MONITORING OF AGREEMENTS

- 2.1 Paragraph 35 of the MICI Policy (document MI-47-8) states that, if the Parties have reached an agreement during the Consultation Phase process, the MICI will develop, in consultation with the Parties, a monitoring plan and timetable for the agreement reached, as applicable. The duration of the plan is not to exceed five years.
- 2.2 In accordance with paragraph 35 of the MICI Policy, the MICI will submit an annual report to the Board of Executive Directors for information.

## III. ACTIONS TAKEN DURING THE REPORTED MONITORING PERIOD

- 3.1 During the period reviewed by this report, the MICI employed a hybrid methodology to monitor the case, holding virtual meetings and conducting a field monitoring mission in December 2022. This report covers actions between October 2022 and October 2023. The activities during the second year of monitoring are reported below.
- 3.2 **Monitoring missions.** The MICI made a field monitoring mission in December 2022. During the mission, the MICI met with the group of Requesters, the IDB, and the Ministry of Territorial Development and Habitat, as well as visited the project site. That visit included representatives from the executing agency, the subexecuting agency, the municipal government of Granadero Baigorria, and the IDB.
- 3.3 **Bilateral and Monitoring Committee meetings.** The MICI facilitated a virtual Monitoring Committee meeting, preceded by preparatory sessions with each Party. The MICI held no other Monitoring Committee meetings because implementation of the points in the Agreement is contingent upon completion of the construction work.
- 3.4 **Periodic contact of the MICI with the Parties.** During the review period the MICI maintained monthly contact with the Parties via telephone calls, WhatsApp messages, and electronic exchanges. It also facilitated various meetings at the request of the Parties, as necessary. As part of those exchanges, the MICI took the opportunity to learn about each Party's views regarding progress made in complying with the agreements, including identification of the challenges to completion of the agreed activities, and possible actions proposed to address them.
- 3.5 **Monitoring of media and important events.** During the review period the MICI regularly monitored print media, social media, electronic portals, and events, to identify

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<sup>1</sup> The public documents on the case can also be accessed in the Links section.

relevant contextual information that could have some effect on the implementation and monitoring of the agreed activities.

- 3.6 **Compliance status.** As of October 2023, the following was observed:
- 3.7 Environmental impacts of the work. According to 21 July 2023 official communication with the executing agency, the forestation project was incorporated into the study of underages/overages of the work with 801 trees in the proportion of 80% native species and 20% exotic species, all of which were planted. Importantly, after the first attempt to plant the agreed trees, approximately 500 trees were found to require replanting. According to the information shared by the executing agency, those trees have been replanted. The executing agency also stated that, during an environmental audit visit in September 2023, the majority of the trees were seen to have sprouted, and there is another smaller set of trees “without evidence of sprouting but with bark that shows signs of life, which should be monitored for proper sprouting and growth in the following months.”<sup>2</sup>
- 3.8 Site governance. According to information communicated by the executing agency on 21 July 2023, the contract of the consultants preparing the legal framework for operation of the consortium was signed on 1 November 2022 by the Office of the Secretary of Project Coordination and is still in execution. In a 12 October 2023 report to the MICI, the executing agency stated that, as of that date, the consulting services were 83% executed with four of the six agreed reports approved.<sup>3</sup>
- 3.9 Land use. The executing agency reported on 21 July 2023 that the land had been surveyed by the Provincial Cadastre Office, and that the transfer of streets to the municipio is in the process of passage of a provincial law. In addition, the Ministry of Territorial Development and Habitat has stated that the language, “public green space with State-owned equipment for athletic, recreational, and cultural use, whose use for private residential ends is prohibited,” will be added at the time the streets are transferred. According to the publicly available information, and as communicated by the executing agency, bill number 00306- 0013452- 6 for transfer of the streets was taken up by the Senate of the Province of Santa Fe on 13 July 2023.
- 3.10 Regarding the updating of official project documents that refer to “transfer of the site’s lands to the municipal government of Granadero Baigorria,” the executing agency stated in a 21 July 2023 official communication that it had arranged with the Rosario Metropolitan Coordination Entity (ECOM) to change this language.
- 3.11 Streets and related matters. According to a 21 July 2023 official communication with the executing agency, it had instructed the contractor to install the signs and speed bumps. In the same communication, the Ministry of Territorial Development and Habitat shared photos of the installed signs and speed bumps with the MICI and stated that the main

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<sup>2</sup> The information was shared by the executing agency in the “Supplemental work completion report – Environmental management plan,” which makes reference to the “flora and vegetation protection” subprogram of the environmental management plan, available in the Links section.

<sup>3</sup> The consulting engagement had six deliverables: a work plan and five reports. The work plan and the first four reports were delivered. Progress is currently being made on the fifth report.

access to the site has been closed with restricted access controlled by the hospital authorities. The ministry also noted that the gate in the main access arch was included in the underages/overages of the work.

- 3.12 The executing agency shared with the MICI photos of the double row of barrier rails installed at the end of Paine and Urquiza streets in the direction of the Paraná River, to maintain the separation between those two streets and the street where Evita's Chalet is located. The ministry also informed the MICI on 21 July 2023 that the signs on Avenida San Martín were in the process of being installed.
- 3.13 Site name. This commitment has been fulfilled since the First Monitoring Report on the Agreements was published in November 2022, and the executing agency and the IDB have confirmed that all documents related to the project have been updated with the new site name.

#### **IV. CONCLUSIONS AND NEXT STEPS**

- 4.1 In the period reviewed in this report, the MICI observed progress in implementation of the Agreement. It is worth noting that some of the commitments are tied to the completion of the construction work, which is 99% complete at the time of this report.
- 4.2 The MICI has monitored the implementation of point 1 of the Agreement, related to planting 801 trees. Accordingly, the MICI recorded that the Agreement has been implemented in two stages: a first attempt to plant the agreed 801 trees, running into difficulties with approximately 500 trees; and a second attempt, replanting all the trees that had initially run into difficulties. At the time of this report, the majority of the replanted trees have sprouted, and there is another smaller group of trees that have not yet sprouted but show signs of life and should be monitored for growth. Regarding point 2, the MICI confirmed that the committed consulting services are in the process of execution. The terms of reference for the consulting services included what had been agreed on 23 August 2021, and the contract was 83% executed.
- 4.3 Regarding point 3 of the Agreement, the MICI was informed that the transfer of streets to the municipio had begun the process of passage of a provincial law. The bill has been taken up by the Senate of the Province of Santa Fe.
- 4.4 Regarding point 4, the MICI recorded that speed bumps and signs were installed on the streets within the property, as well as a double row of barrier rails on Paine and Urquiza streets where they intersect with the street that runs in front of Evita's Chalet. Point 5 is 100% implemented.
- 4.5 The MICI wishes to emphasize the importance of continued support for formation of the site management consortium, to ensure community representation. The MICI will also continue supporting the process of transferring the streets with the objective of verifying that the language provided in the MICI Agreement is added at the time of transfer.
- 4.6 Regarding the deadline for completion of the construction work, the MICI could not verify the expected closing date. The work is currently at a standstill because certain steps require approvals and/or inspections by the provincial power utility.

- 4.7 In the third year of monitoring, the MICI will continue monitoring activities by organizing and facilitating dialogue sessions. The MICI will make at least one mission to Granadero Baigorria, to assess progress on compliance with the Agreement. The MICI will provide the Parties with ad hoc support as needed and will continue to evaluate any circumstances that could weaken the process. The third annual monitoring report will be issued in November 2024, recording actions taken and progress achieved.