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**ARGENTINA**  
**MICI-BID-AR-2021-0170**

**CONSULTATION PHASE ASSESSMENT REPORT**  
**INTEGRATED URBAN SOLID WASTE MANAGEMENT PROGRAM – REQUEST II**  
**(AR-L1151)**  
**(3249/OC-AR)**

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In accordance with the Access to Information Policy, this document is being made publicly available simultaneously with its distribution to the Board for information.

## CONTENTS

### EXECUTIVE SUMMARY

I.	BACKGROUND .....	1
	A. Geographical and social context of the Project .....	1
	B. The Program .....	1
	C. The Request.....	3
	D. MICI process up to the Eligibility Determination .....	4
II.	CONSULTATION PHASE .....	4
	A. Normative framework .....	4
	B. Assessment timeline.....	5
	C. Assessment methodology.....	6
III.	ANALYSIS .....	6
	A. Issues and current context.....	6
	B. Perspectives of the Parties .....	8
IV.	CONCLUSION.....	9
	A. Feasibility of proceeding with a Consultation Phase Process .....	9
	B. Proposed methodology.....	9
	C. Resources required .....	11
	D. Tentative timeline .....	11

LINKS
<ol style="list-style-type: none"><li>1. Policy of the Independent Consultation and Investigation Mechanism (MICI-IDB Policy, document MI-47-8) <a href="https://www.iadb.org/document.cfm?id=EZSHARE-525549286-365">https://www.iadb.org/document.cfm?id=EZSHARE-525549286-365</a></li><li>2. Guidelines for the Consultation Phase <a href="https://www.iadb.org/document.cfm?id=EZSHARE-525549286-333">https://www.iadb.org/document.cfm?id=EZSHARE-525549286-333</a></li><li>3. Public Registry file for Request MICI-BID-AR-2021-0170 <a href="https://www.iadb.org/en/mici/complaint-detail?ID=MICI-BID-AR-2021-0170">https://www.iadb.org/en/mici/complaint-detail?ID=MICI-BID-AR-2021-0170</a></li><li>4. Eligibility Memorandum <a href="https://www.iadb.org/document.cfm?id=EZSHARE-1487447675-182">https://www.iadb.org/document.cfm?id=EZSHARE-1487447675-182</a></li><li>5. IDB Management Response to Request MICI-BID-AR-2021-0170 regarding the Integrated Urban Solid Waste Management Program – Request II (AR-L1151) <a href="https://www.iadb.org/document.cfm?id=EZSHARE-1487447675-119">https://www.iadb.org/document.cfm?id=EZSHARE-1487447675-119</a></li><li>6. Loan proposal for the Integrated Urban Solid Waste Management Program – Request II (AR-L1151) <a href="https://www.iadb.org/projects/document/38896762?project=AR-L1151">https://www.iadb.org/projects/document/38896762?project=AR-L1151</a></li><li>7. Environmental and social management report (ESMR) for the Integrated Urban Solid Waste Management Program – Request II (AR-L1151) <a href="https://www.iadb.org/projects/document/38036613?project=AR-L1151">https://www.iadb.org/projects/document/38036613?project=AR-L1151</a></li><li>8. Environmental and social management framework (ESMF) for the Integrated Urban Solid Waste Management Program – Request II (AR-L1151) <a href="https://www.iadb.org/projects/document/38036610?project=AR-L1151">https://www.iadb.org/projects/document/38036610?project=AR-L1151</a></li><li>9. Environmental eligibility analysis of the site – “Chascomús Environmental Ecopark” project <a href="https://www.iadb.org/projects/document/EZSHARE-2137554985-11325?project=AR-L1151">https://www.iadb.org/projects/document/EZSHARE-2137554985-11325?project=AR-L1151</a></li></ol>

## **ABBREVIATIONS**

ESIS	Environmental and social impact study
ESMP	Environmental and social management plan
MAYDS	Ministry of Environment and Sustainable Development
MICI or Mechanism	Independent Consultation and Investigation Mechanism of the IDB Group
MICI Policy	The policy approved by the IDB Board of Executive Directors in December 2014 and revised in December 2015, governing the MICI processing of Requests associated with operations financed by the IDB or the MIF (document MI-47-6)

## EXECUTIVE SUMMARY

The objective of the Chascomús Environmental Ecopark project is to remediate and close the existing dump in the area of Chascomús, Buenos Aires Province, Argentina, as well as to treat materials and waste through the construction and operation of an ecopark designed for their maximum recovery and minimal, proper final disposal.

The Bank's involvement in this Project is through the "Integrated Urban Solid Waste Management Program" (AR-L1151) (the "Program"). This is a sovereign guaranteed investment loan approved by the Board of Executive Directors on 16 July 2014 for US\$187.5 million, to be financed with US\$150 million from the Bank and a local contribution of US\$37.5 million. The guarantor of the operation is the Argentine Republic. Initially, the executing agencies were the Department of Environment and Sustainable Development (currently the Ministry of Environment and Sustainable Development (MAYDS)) and the Ministry of Tourism (currently the Ministry of Tourism and Sports). However, according to information provided by the Program's Project Team, as of the date of this memorandum, a contract amendment is under way to centralize responsibility for execution solely with MAYDS. The Program objective is to decrease the disposal of urban solid waste in open dumps and to increase its disposal in properly designed, built, and operated sanitary landfills in urban and tourism centers, and to increase its recovery and reuse.

The Project will be executed under the single responsibility contract modality, under which the winner of a competitive bidding process is responsible for executing all stages of the project. In practice, this means that one single contractor will design, build, and operate the ecopark for a period of time established in the signed contract. This contractor will also perform the environmental and social impact assessment, hold meaningful consultations with the population, and develop a specific environmental and social management plan for the Project.

On 23 July 2021, the Independent Consultation and Investigation Mechanism (MICI) received a Request from a group of 30 residents of the municipio of Chascomús, Buenos Aires Province, Argentina. The Requesters have asked that the MICI keep their identities confidential, to prevent their names from appearing in public documents or in the MICI Public Registry, in accordance with paragraph 15 of the MICI-IDB Policy.

The Request describes potential environmental harm to the community, as well as to the Requesters' property and finances (with a differentiated impact on the livelihoods of several women producers, farmers, and herders), and to the Requesters' health from the future building and operation of a solid waste disposal facility.

On 28 September 2021, the MICI issued the Eligibility Memorandum concluding that the Request was eligible. The Consultation Phase Assessment Stage began on 29 September with the objective of determining whether conditions are favorable to proceed with a dispute resolution process. It seeks to provide an in-depth understanding of the project context, identify the central issues that could be part of a potential Consultation Phase Process, hear the Parties' perspectives on the Request, and identify methodological preferences that could be used to design the process.

During the Assessment Stage, the MICI Consultation Phase team held a total of five bilateral meetings (all virtually). The MICI also reviewed the documents relevant to the case, including: the Request, the Program loan proposal, the loan contract, the environmental eligibility analysis of the site, and the preliminary design of the ecopark available on the website of the Chascomús municipal government. Letters sent to MAYDS and its replies were also reviewed, as were the deed of gift documents for the site.

In accordance with paragraph 29 of the MICI-IDB Policy, based on the analysis performed during the Assessment Stage regarding the allegations presented in the Request, it was concluded that the conditions for proceeding with a Consultation Phase Process facilitated by the MICI are met.

## **I. BACKGROUND<sup>1</sup>**

### **A. Geographical and social context of the Project**

- 1.1 According to the National Statistics and Census Institute, the Argentine Republic has a population of more than 40 million, concentrated mainly in urban areas (90%) of the country's 23 provinces and the Autonomous City of Buenos Aires. This population concentration poses challenges for a number of different sanitation issues, and solid waste collection and final disposal are no exception.
- 1.2 The nationwide service coverage rate for urban solid waste is 99.8%. However, the rate of final disposal in sanitary landfills is only 64.7%, according to data published by the Inter-American Development Bank ("IDB" or "the Bank"). Regardless, it has been identified since the early 2000s that, for the main urban centers, final disposal in sanitary landfills required major investments in expansion, equipment, emissions management, and, if necessary, support for the proper closure of dumps.
- 1.3 Currently, according to the National Strategy for Integrated Urban Solid Waste Management,<sup>2</sup> most municipios use a controlled or semicontrolled landfill system. Estimates are that more than 70% of municipios with less than 10,000 inhabitants use open dumps for waste disposal, as do over 50% of towns with at least 100,000 inhabitants. It is calculated that currently more than 25% of waste generated daily nationwide is discarded in open dumps, and almost 30% is disposed of with partial, environmentally insufficient controls.
- 1.4 In Argentina, the Ministry of Environment and Sustainable Development (the "executing agency" or "MAyDS") is responsible for assisting in the implementation of environmental policy, including effective solid waste management, in coordination with environmental management agencies at the provincial and municipal level. The municipios, specifically, are responsible for urban solid waste management and have the authority to levy taxes, the ability to issue their own rules and regulations and assess fees and other contributions, and the capacity to organize collection and disposal systems.

### **B. The Program**

- 1.5 The "Integrated Urban Solid Waste Management Program" (AR-L1151) (the "Program") is a sovereign guaranteed investment loan approved by the Board of Executive Directors on 16 July 2014 for US\$187.5 million, to be financed with US\$150 million from the Bank and a local contribution of US\$37.5 million. The guarantor of the operation is the Argentine Republic, and the executing agencies are the Ministry of Environment and Sustainable Development and the Ministry of Tourism and Sports. A contract amendment is currently under way to centralize responsibility for execution solely with MAyDS.

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<sup>1</sup> Information taken from the Bank's website and public documents on the related operation. These documents are available in the links section.

<sup>2</sup> In 2005, the National Strategy for Integrated Urban Solid Waste Management was created by the then Department of Environment and Sustainable Development. This strategy is an overall diagnostic assessment of the country's urban solid waste situation, setting guidelines for a progressive 20-year strategy to implement integrated management at the local level through waste minimization and reuse processes.

- 1.6 The Program objective is to decrease the disposal of urban solid waste in open dumps and to increase its disposal in properly designed, built, and operated sanitary landfills in urban and tourism centers, and to increase its recovery and reuse. The Program thus seeks to facilitate an increase in recovery and recycling rates and improvement in the quality of collection and final disposal services. It also aims to formalize and include waste collectors and the recovery of urban solid waste.
- 1.7 The operation was designed as a global multiple-works program because it will finance multiple, physically similar but independent projects. As occurs with this class of multiple-works operations in the execution stage, the executing agency must submit each one of the specific projects for the Bank's no objection, before authorization is given for financing and execution with the Program resources.
- 1.8 Regarding the environmental and social risks detected by the Bank, the Program was classified as category "B" under the Environment and Safeguards Compliance Policy (Operational Policy OP-703), since it could cause localized negative environmental and social impacts, for which effective mitigation measures are available. The identified impacts include: (i) impacts associated with the civil works construction (e.g., generation of noise, dust, solid and liquid waste from the worker camps, risk of workplace accidents, etc.); and (ii) impacts from operation of the sanitary landfills (e.g., potential water and soil pollution resulting from the handling of leachates, detriment to the livelihoods of informal waste separators, and the risk of rejection by the population living in the surrounding area).
- 1.9 The works that are the subject of the MICI Request correspond to the "Chascomús Environmental Ecopark" (the "Project"), which is not part of the Program sample and is located in the municipio of Chascomús, in Buenos Aires Province. The objective of the Project is to remediate and close the area's existing dump, and, through the treatment of materials in the planned environmental ecopark, reduce the amount of waste sent to the new sanitary landfill to be built in Chascomús, extending its useful life.
- 1.10 The total cost of the Project was estimated at US\$9 million, to be allocated to the design, building, and operation of an environmental ecopark, and to the closure, cleanup, and conversion of the current dump, including establishing an "ecopoint" to receive and process waste at a sorting plant.
- 1.11 In the early months of 2021, the executing agency submitted the Project to the IDB and requested its implementation under a single responsibility contract arrangement. Under this contracting modality, the winner of a competitive bidding process is responsible for executing all stages of the project. Accordingly, the company that wins the bid will have to produce the environmental and social impact study (ESIS) for the Project, including an environmental and social management plan (ESMP), and implement a plan for meaningful consultations with stakeholders that could be impacted by the Project, as well as with the general population.
- 1.12 In May 2021, the Bank reported that it had issued the no objection to the Project and to the bidding documents. In early November of the same year, the executing agency reported that it had opened bidding for technical and financial proposals, but had not yet awarded the contract to a company. In keeping with the single responsibility modality described above, a specific ESIS for the Project is still not available.



## **C. The Request**

- 1.13 On 23 July 2021, the Independent Consultation and Investigation Mechanism (MICI) received a Request from a group of 30 residents of the municipio of Chascomús, Buenos Aires Province, Argentina. The Requesters have asked that the MICI keep their identities confidential, in accordance with paragraph 15 of the MICI-IDB Policy. Information classified as public is available in the MICI Public Registry.
- 1.14 The Request describes potential environmental harm to the community and to the Requesters' property and finances (with a differentiated impact on the livelihoods of several women producers, farmers, and herders), as well as to their quality of life and health from the future building and operation of a solid waste disposal facility. Furthermore, the Requesters state that the Project is to be located on land near lakes and other water resources for Chascomús.
- 1.15 Specifically, the Requesters state that this landfill, which they point out has been classified as an ecopark in Project documents, would cause water, soil, and air pollution in the area. They describe the potential pollution of groundwater tables, wetlands, and other water sources, including wetlands that they indicate are part of a Ramsar Site<sup>3</sup> (Samborombón Bay). The Requesters go on to say that the land selected for the Project is in an area with a fragile ecosystem, meaning the landfill would endanger biodiversity and lead to environmental degradation.
- 1.16 The Request mentions potential breaches of the Environment and Safeguards Compliance Policy (Operational Policy OP-703), since the Project entails the risk of polluting water basins and would have adverse impacts on the environment and human health due to the presence of hazardous wastes and materials, above all because the site where the ecopark is to be located is an aquifer recharge area.
- 1.17 Regarding potential harm to the Requesters' property and finances, they add that the land near the future ecopark is currently being used for agriculture and livestock activities, so building the ecopark there would directly affect these livelihoods. They also mention that a considerable number of women producers, farmers, and herders live and work near this land, and their incomes would be significantly affected by any changes to the ecosystem.
- 1.18 The Requesters also report that a rural school, community centers, dwellings, and a drinking water well used by local residents would be affected by the presence of the landfill, and this might even force residents to abandon these locations and facilities, with the inherent resettlement impact. Moreover, the Request alleges that the location of the site would cause depreciation of the land near the landfill, with adverse financial consequences for residents.
- 1.19 The Requesters go on to say that the selection of the landfill site was improvised without proper permission from the owners of the land where the construction is planned or proper analysis of alternatives and/or complete environmental, social, and anthropogenic studies. On the same issue, the Requesters indicate that the "Environmental Eligibility Analysis of the Site" report for the Chascomús

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<sup>3</sup> Ramsar Sites are high-value wetlands included in the list of the Convention on Wetlands of International Importance Especially as Waterfowl Habitat, also known as the Ramsar Convention, whose depositary is the United Nations Educational, Scientific and Cultural Organization (UNESCO).

Environmental Ecopark contains errors and omissions, and that the Project's environmental viability should not be determined in the current location.

- 1.20 In several communications with the MICI, the Requesters mentioned their concern that the landfill could become a regional landfill, which would violate a municipal ordinance that forbids disposal of waste from other jurisdictions. They also brought up the lack of citizen participation in the site selection for the Project, the lack of information in communications, as well as in the Project planning and design and an environmental impact study.
- 1.21 Lastly, regarding the MICI process, the Requesters asked the MICI to process their Request through the Consultation Phase and the Compliance Review Phase, keeping their identities confidential.<sup>4</sup>

#### **D. MICI process up to the Eligibility Determination**

- 1.22 Table 1 shows the main actions taken by the MICI from receipt of the Request up to the Eligibility Determination.

**Table 1.**  
**Timeline of MICI actions up to the Eligibility Determination (2021)**

<b>Date</b>	<b>Actions</b>
23 July	Request received
26 July	Video call with the Requesters
28 July	Request registered and notifications sent to the Requesters and IDB Management
28 July to 28 September	Document review and desk work
1 September	Receipt of Management response
8 September	Video call with the Requesters
15 September	Video call with the IDB Project Team
17 September	Video call with MAdDS and the IDB Project Team
28 September	Eligibility Memorandum issued

## **II. CONSULTATION PHASE**

### **A. Normative framework**

- 2.1 The Independent Consultation and Investigation Mechanism (MICI) is governed by the MICI-IDB Policy (document MI-47-6), which was approved by the IDB Board of Executive Directors on 16 December 2014 and updated in December 2015. Pursuant to the Policy, the Requesters may opt for the Consultation Phase, the Compliance Review Phase, or both. If both options are selected, the process begins with the Consultation Phase.

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<sup>4</sup> Paragraph 15 of the MICI-IDB Policy establishes that the MICI will keep the identity of the Requesters confidential, if they so request due to fears of retaliation. The definition of retaliation is in accordance with the MICI document "Guidelines for Addressing Risk of Reprisals in Complaint Management" (see [link](#)) and includes acts of intimidation, threats, harassment, smears, public defamation, professional reprimands, physical and psychological harm and violence, etc.

- 2.2 The Consultation Phase is intended to be a flexible, consensus-based approach that provides an opportunity for the Parties to address the issues raised by the Requesters, based on a set of methodologies that promote unbiased and equitable treatment for all Parties involved in the process. The Guidelines for the Consultation Phase seek to facilitate the effective application of Section H of the MICI-IDB Policy, especially paragraphs 24 to 35, by supplementing and putting its provisions into practice (document MI-74).
- 2.3 The Consultation Phase has three consecutive stages: Assessment, Consultation Phase Process, and Monitoring. The Policy establishes the purpose and time frame for each stage. The objective of the Assessment Stage is to determine whether conditions are favorable to proceed with a dispute resolution process. It seeks to provide an in-depth understanding of the context of the operation giving rise to the Request and the core issues that the Parties could address in a potential Consultation Phase Process. The Requesters, executing agency, and Management will also exchange views, to determine whether it is viable to proceed with the Consultation Phase Process. Lastly, individuals who could represent the Parties are expected to be identified, along with their methodological preferences for a potential process.
- 2.4 The purpose of the Consultation Phase Process is for the Parties to reach an agreement dealing with the issues raised in the Request and addressed in the MICI Process, reinforcing the Bank's commitment to comply with its Relevant Operational Policies.

## **B. Assessment timeline**

- 2.5 Pursuant to paragraph 29 of the MICI-IDB Policy, the maximum term for the Assessment Stage is 40 business days, running from the date of determination of eligibility, which for this case was 28 September 2021. Due to the COVID-19 pandemic and the extraordinary measures to reduce the spread of the illness, there was no assessment mission, and all bilateral meetings were held virtually. The following activities took place during the Assessment Stage for this case:

**Table 2.**  
**Timeline of Assessment Stage activities (2021)**

<b>Date</b>	<b>Actions</b>
29 September to 23 October	Review of Program documents and context
06 October	Microsoft Teams call with IDB Management
20 October	Zoom call with the Requesters
20 October	Microsoft Teams call with IDB Management and the Ministry of Environment and Sustainable Development
21 October	Microsoft Teams call with IDB Management
02 November	Zoom call with the Requesters
08 November	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 methodology combined a desk review and virtual interviews of the Parties. The main objective of these activities was to study the Project context, jointly analyze the feasibility of a Consultation Process with the Parties, and identify their methodological preferences. Notably, due to the measures to contain the spread of the COVID-19 pandemic, the MICI was unable to make a field visit to meet in person for the Assessment. The mission is usually a key part of the feasibility analysis, making it possible not only to investigate the project and allegations firsthand, but also to establish a direct link with the Parties and their representatives.
- 2.7 Additionally, a series of documents relevant to the case were reviewed, including: the Request, the Program loan proposal, the loan contract, the environmental eligibility analysis of the site, and the preliminary design of the ecopark available on the website of the Chascomús municipal government. Letters sent to MMayDS and its replies were also reviewed, as were the deed of gift documents for the site. Specific attention was given to the execution modality via single responsibility contracts at both the IDB Group and the World Bank.
- 2.8 The MICI held five bilateral meetings with the Parties, using the Microsoft Teams and Zoom virtual platforms.

## **III. ANALYSIS**

### **A. Issues and current context**

- 3.1 **The issues.** According to the Request, supplementary information, and the analysis performed during the Assessment Stage, the Requesters' concerns to be addressed in a possible dispute resolution process are: (a) the identified site's drainage capacity and resulting risk of flooding; (b) potential pollution of the region's wetlands system; (c) harm to the wells on neighboring properties; (d) potential loss in value of the land around the park, or its productive capacity; and (e) impacts on native fauna. Based on the initial announcements, the Requesters are concerned that the ecopark will become a regional waste disposal center, but both the IDB and the executing agency confirm that it will receive waste only from Chascomús, in compliance with current local legislation.
- 3.2 **Background and current context.** The bilateral talks with the Parties, as well as the documents reviewed by the MICI, confirm that the Requesters, the IDB, and the executing agency exchanged emails before the complaint was submitted to the MICI. These email exchanges between the Requesters and the Bank or MMayDS, in which the Requesters explained the Project's potential harm to the selected site, took place from February to June 2021.
- 3.3 Although in disputes there is typically a lack of trust between parties, in the specific context of this Request the levels of mistrust and animus between the Parties are high. This results from a series of episodes and disagreements that have reinforced the Parties' opposing narratives as to what is occurring and will occur in the Project area, and have led them to ascribe negative intent to the other Party's actions, offers, and statements.

- 3.4 The bilateral meetings held during the Assessment Stage made it possible to identify points of agreement between the Parties on the importance of certain issues for the future of the Project. Opportunities were also identified for ensuring that these issues are addressed in the most suitable manner in subsequent Project stages. The Parties also have a positive view of the Request advancing through the Consultation Phase Process, as they seek to achieve results through a dialogue or dispute resolution process.
- 3.5 **Execution modality.** As noted in the Management Response, the Project will be executed under the single responsibility contract modality. Under this contracting modality, the winner of a competitive bidding process is responsible for executing all stages of the project. In practice, this means that one single contractor will design, build, and operate the ecopark for a period of time established in the signed contract. In relation to the bidding process, at the time this report was being prepared, the technical and financial proposals had already been opened, but the contract had not yet been awarded.
- 3.6 **Environmental viability analysis.** In view of the foregoing, to proceed with the site selection so that the bidding parameters could be set, the IDB prepared an environmental viability analysis of the planned site, in order to determine compliance with the Environment and Safeguards Compliance Policy (Operational Policy OP-703) and the Disaster Risk Management Policy (Operational Policy OP-704). After completing this analysis of the minimum requirements for the identified site, the Bank and the execution unit launched the bidding process to choose the firm responsible for the Project.
- 3.7 **Absence of environmental and social impact study and environmental and social management plan.** As already noted, once the bid has been awarded, the contractor will be responsible for the preparing the final design of the Project. The contractor will also perform all studies and prepare all plans necessary to obtain the environmental permits and authorizations for development and operation of the ecopark. Under this contract modality, the winning contractor will perform the environmental and social impact assessment, hold meaningful consultations with the population, and develop a specific environmental and social management plan for the Project. In addition, the winning firm will be responsible for other technical feasibility studies, if required, such as hydrogeological studies, load analyses, or other surveys. All these must be submitted to the relevant authorities for the environmental permits under local regulations, and to the IDB for consideration under the no objection procedure. The timing of the environmental and social studies, as well as public outreach processes, vary considerably with this execution modality, compared with conventional project design and execution processes. Accordingly, the methodology proposed for a potential MICI Consultation Phase Process will specifically reflect the fact that no ESIS will be available at the outset of the structured dialogue between the Parties (see Section IV.B).
- 3.8 **Ongoing processes and proceedings.** The Office of the Ombudsman of the Nation is moving forward with a proceeding filed by the Route 20 Residents' Committee, captioned "Chascomús Route 20 Residents' Committee In Re: Environmental Impact Associated with Urban Solid Waste." In relation to this, in September and October the Ombudsman requested information on the Project's environmental and social impact and on the existence of citizen participation

forums from the Provincial Agency for Sustainable Development and the national Ministry of Environment.

- 3.9 There are several legal proceedings looking at different Project-related issues. The way these proceedings are resolved could have an impact on a potential dialogue and dispute resolution process. Among the issues to be resolved by the various legal proceedings are whether the gift of the planned ecopark site is to be revoked, the appeal for a preliminary injunction to preserve the current state and filing of a lawsuit related to the site, and a request to nullify the Deliberative Council resolution finalizing the gift of the site. The resolution of one or more of these actions and proceedings may lead the stakeholders to adjust their expectations and perceptions during the process, and therefore their positions and interests, while the issues underlying the Request are being addressed.

## **B. Perspectives of the Parties**

- 3.10 In line with the definition set forth in the MICI-IDB Policy, the Parties to the Consultation Phase Process are the Requesters, the executing agency, and IDB Management.
- 3.11 **Requesters.** The Requesters expressed their concern about the environmental liability that could be caused by the ecopark landfill through water, soil, and air pollution and its impact on the regional ecosystem and the health of the population. They also commented that several properties near the site have windpump wells used for agricultural production and crop activities that could be affected by the Project.
- 3.12 The Requesters also emphasized the importance of the ESIS being performed to strict standards by a recognized agency, and addressing their main concerns. They added that construction of the ecopark would affect the value of their properties and economic activities.
- 3.13 Lastly, the Requesters again stated their concern that the ecopark should not become a regional waste disposal center, and warned that the selection of the landfill site had been improvised without proper permission from the owners of the land where the construction is planned or proper analysis of alternatives and/or complete environmental, social, and anthropogenic studies.
- 3.14 The Requesters expressed their willingness to proceed with a Consultation Phase Process facilitated by the MICI.
- 3.15 **Executing agency.** The project's executing agency is the Ministry of Environment and Sustainable Development (MAyDS).
- 3.16 MAyDS pointed out that the project is an ecopark, and, unlike a dump, its purpose is to reduce the amount of waste going into the new Chascomús sanitary landfill that is to be built, through the treatment of materials. This will make it possible to close the existing dump and extend the useful life of the new sanitary landfill.
- 3.17 The executing agency emphasized that it shares some of the Requesters' environmental concerns and had brought technical knowledge to bear, in order to ensure that the Project meets environmental standards. Regarding the site's flooding potential, MAyDS mentioned that the Buenos Aires Province Water Authority had issued the Project's hydraulic prefeasibility in 2020.

- 3.18 MAYDS expressed its willingness to participate in a MICI Consultation Phase Process.
- 3.19 **IDB Management.** IDB Management said it was open to exploring ways of resolving the allegations made by the Requesters as part of a potential Consultation Phase Process. It also restated its commitment to overseeing compliance with environmental and social safeguards, both in the ESIS process and in the subsequent building and operation phase of the Project.
- 3.20 Lastly, Management said it was willing to work together with the Requesters and the executing agency to find solutions to the issues raised. Accordingly, it expressed its interest and willingness to proceed with a Consultation Phase Process facilitated by the MICI.

#### IV. CONCLUSION

##### A. Feasibility of proceeding with a Consultation Phase Process

- 4.1 In accordance with paragraph 29 of the MICI-IDB Policy, based on the analysis performed during the Assessment Stage regarding the allegations presented in the Request, and the Parties' willingness to address the existing issues through dispute resolution, it was concluded that the conditions for proceeding with a Consultation Phase Process facilitated by the MICI are met.
- 4.2 As established in paragraph 30 of the MICI-IDB Policy, this assessment report will be distributed to Bank Management, as well as to the Requesters and the executing agency, on 8 November 2021, and to the IDB Board of Executive Directors, once the English version is available, after which it will be released to the public through the online MICI Public Registry.

##### B. Proposed methodology

- 4.3 As established in the MICI-IDB Policy and the Guidelines for the Consultation Phase (document MI-74), the Consultation Phase Process is intended to be a flexible, consensus-based approach tailored to the specific issues raised in the Request. The methodology is adapted case by case, depending on the needs of the process and in line with the Policy and the Guidelines. As a result of the assessment and the exchanges with the Parties, the MICI has prepared a proposed methodology that incorporates several different considerations.
- 4.4 **Two-stage dialogue.** As explained in Section III.A, the contracting modality established for the Project is a change from traditional arrangements, where the environmental and social studies are performed first, then the consultations, and then competitive bidding for the works. Accordingly, the MICI Process will be divided into two stages: (a) an initial dialogue stage, seeking to work on issues that may merit more detailed analysis or could be incorporated into the ESIS design, such that it includes and analyzes environmental and social problems alleged by the Requesters with some degree of detail; and (b) as second stage, where, with the results of the ESIS and consultations available, a substantive dialogue can be held to address the concerns voiced in the Request. This second stage will be geared toward finding creative solutions that can be take shape in a MICI Agreement.

- 4.5 Notably, preparation of the ESIS should take no less than five months. During this time, the MICI will stay in bilateral contact with the Parties but will not hold plenary dialogue sessions until it has the necessary information to move forward with identifying solutions. The frequency of the dialogue sessions will be agreed upon with the Parties during each of the two stages.
- 4.6 **Preparatory meetings.** Before starting the dialogue sessions, the MICI may hold preparatory sessions to strengthen the Parties' capabilities in alternative dispute resolution methods and techniques. These sessions will provide tools and knowledge to maximize the efficiency of stakeholder participation during the dispute resolution process. They will also address potential asymmetries between the Parties, in keeping with the principles of the MICI Consultation Phase guidelines.
- 4.7 **Bilateral meetings.** Before each dialogue session, the Consultation Phase team will encourage bilateral meetings with the Parties, to plan each session and deal with any questions or concerns about the methodology and the issues to be addressed. Due to the necessary measures amid the COVID-19 pandemic, the bilateral and preparatory meetings will be held virtually.
- 4.8 **Considerations for virtual participation.** To participate effectively, the Parties will require a stable Internet connection allowing sporadic use of a camera when speaking, or a telephone connection allowing for a sustained exchange. Following IDB Group recommendations, use of the Microsoft Teams platform is proposed for the bilateral exchanges and dialogue sessions.
- 4.9 The MICI will confirm the availability of the necessary technological resources with the Parties and advise them on installation and basic use of this software for effective participation. The MICI will also seek to monitor, at all times, the virtual presence and security of the connections for all representatives of the Parties.
- 4.10 **Utilization of technical information.** To encourage the exchange and analysis of information, the technical materials or studies must be shared ahead of time, so that the Parties can review them before the dialogue session where they will be utilized. If questions are identified, or clarification is needed, on the materials prior to the sessions, the Parties will email the MICI Case Officer, who will make sure that these issues are addressed during the plenary session presentation.
- 4.11 **Facilitation.** In addition to the Consultation Phase team, the MICI process will be supported by Patricia Arechaga, facilitator member of the MICI Roster of Experts, who will be responsible for managing the MICI Process plenary dialogue sessions. The rules of the process will be drawn up jointly by the MICI team and the facilitator and validated by the Parties. During the dialogue sessions, the facilitator will alternate between the Parties involved in the MICI Process in calling on them to speak. The MICI staff may speak to clarify procedural aspects of the Policy or any doubts arising during the exchanges.
- 4.12 **Process records.** The MICI will take the minutes of each plenary dialogue session, including the issues addressed, principal conclusions, and next steps. The minutes will be circulated to the Parties within 72 hours after the close of the dialogue session. Given the flexible nature of the Consultation Phase, which is geared toward finding joint solutions, not investigating potential violations of IDB Group Operational Policies, video or audio recording of the Consultation Phase sessions or



bilateral meetings with the Parties is not recommended. The Consultation Phase, as impartial third-party mediation, seeks to reestablish reasonable communication among the Parties, make available key technical information or comparative studies that were not in the Parties' possession, and explore solutions to the issues in question, by establishing a relaxed atmosphere that enables them to work together.

- 4.13 **Representation of the Parties.** Each Party will appoint a small delegation of representatives to participate in the dialogue sessions. Given the restrictions and challenges of holding an exchange remotely, the delegations representing the Parties at each dialogue session should not include more than five individuals, including technical specialists. It is important to emphasize that, since the Requesters have asked that their identities be kept confidential, the same will apply for all members of the delegation participating in the dialogue sessions.
- 4.14 **Invitations for the sessions.** The invitations to participate in the dialogue sessions and in the bilateral meetings will be sent only by the MICI. The Parties will be asked to refrain from sharing these invitations with other stakeholders. If the presence of a technical specialist proposed by the MICI or any of the Parties is required, the MICI facilitation team must be asked ahead of time.
- 4.15 **COVID-19 and in-person meetings.** If, during the Consultation Phase Process, the authorities relax the measures restricting in-person meetings and local travel in response to the COVID-19 pandemic, the MICI and the Parties will weigh whether to hold in-person meetings, which the MICI and the facilitator may attend virtually.

**C. Resources required**

- 4.16 Based on the proposed methodology, for the Consultation Phase Process the MICI will need to hire the expert described in paragraph 4.9, who will cofacilitate the dialogue sessions with the rest of the MICI team assigned to process the case.
- 4.17 If the COVID-19 restrictions are eased, the MICI will have to make field missions to participate in the dialogue sessions in person. This will entail sending MICI staff, as well the facilitator engaged for the case. The MICI will also need to have all necessary logistical services in place, to conduct the dialogue sessions.

**D. Tentative timeline**

- 4.18 In accordance with paragraph 31 of the MICI-IDB Policy, the Consultation Phase Process shall be completed within a maximum period of 12 months.
- 4.19 The MICI plans to launch the Consultation Phase Process with the first plenary session the week of 29 November, and the bilateral meetings between the Parties and the MICI the week before.