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Joint IDB-IDB Invest Management Action Plan to address ICIM Compliance Review Report
Recommendations Alto Maipo Hydroelectric Project
(CH -L1067)

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**Joint IDB-BID Invest Management Action Plan to address ICIM Compliance Review Report
Recommendations
Alto Maipo Hydroelectric Project (CH -L1067)**

On June 12th, 2020, the IDB Board of Executive Directors approved the PEC Committee Chair Report endorsing the recommendations presented in the Compliance Review Report (document MICI-BID-CH-2017-0115) "Report" - prepared by the IDB Group's Independent Consultation and Investigation Mechanism (ICIM) for the Alto Maipo Hydroelectric Power Project (CH-L1067).

The seven recommendations presented in the Report are (the "Recommendations"):

1. "Complete an impact assessment on recreational, tourist and scenic uses at the earliest opportunity, including a management plan for the identified impacts, as required under Directive B.5 of Operational Policy OP-703. Ensure that the environmental and social management plan is consistent with the identified impacts with a view to preventing the harm from occurring and, if it cannot be prevented, put mitigation or offset measures in place within an appropriate environmental and social management plan. Ensure that both the study and the management plan are disclosed in a timely manner and sufficiently in advance to enable the affected population to participate in a meaningful consultation process in keeping with the standards of Directive B.6 of Operational Policy OP-703, i.e., by establishing a two-way dialogue for meaningful consultations. Ensure that measures are put in place to monitor compliance with the management plan during the project's operation phase, consistent with the requirements of Directive B.7. Establish a timetable for execution of these measures, consistent with the requirements of the Operational Policies and project progress.
2. At the earliest opportunity, request a comprehensive assessment of the potential social and economic impacts of the flow of workers and the measures taken during the construction phase, once the project enters the operation phase. Based on this assessment, design and implement measures to mitigate, offset, and manage the identified impacts, to be supervised by the Bank.
3. Require an assessment, reflecting a gender perspective, of the social and economic impacts of worker migration, to determine: i) Whether gender impacts on the population have occurred, thus far; and ii) whether the decision to allow workers lodging within the community has impacted, and will impact, the community's female population to a greater degree. The mitigation measures resulting from the assessment should reflect the gender perspective and ensure that the differentiated impacts are not perpetuated. Lastly, ensure that the assessment is performed/supported by gender specialists using appropriate methodologies for studies of this kind.
4. Introduce (either in the environmental and social, health, and safety action plan (ESHSAP) or in a corrective action plan, as most convenient based on the project's arrangements) a mitigation measure in relation to the muleteer's activities during the construction stage, consisting of ensuring that a communication protocol is in place to make this group aware of blocked roads and trails, as well as blasting schedules, sufficiently in advance, and supervise the Client's compliance with this measure.

5. Require an analysis of whether the existing mitigation measures are adequate in view of the updated traffic increase data, considering the cumulative impacts; establish a corrective action plan if the mitigation measures are found to be inadequate; and strictly supervise the plan's implementation during the remainder of the construction stage.
6. General recommendation for the IDB Group: Strengthen IDB Group staff understanding and capability to implement the requirements of Operational Policy OP-761 (Operational Policy on Gender Equality in Development) and any relevant policy applicable to the process of identification, assessment, and mitigation of gender-based impacts in operations, as well as related to any requirements ensuring the safe, effective participation of vulnerable groups. Specifically, develop guidelines for implementing Operational Policy OP-761 and other policies related to such impact, in order to strengthen compliance with these policies and their proper implementation in Bank operations. Establish a blanket zero tolerance policy toward gender based violence as part of the IDB Group's environmental and social commitments and ensure that this requirement is captured on contractual conditions of operations approved by the IDB Group.
7. Management should develop an Action Plan, in consultation with the ICIM, for the implementation of the Recommendations of this report that are approved by the Board. The Action Plan should contain a chronogram of implementation compatible with the operation investigated. The ICIM will monitor the implementation of the Action Plan according to paragraph 49 of ICIM's policy.

Management agreed to present the above referenced Action Plan for the consideration of the Board within 30 days from the date of the Board's approval of the PEC Committee Chair Report. The present document constitutes management's proposed Action Plan. It was developed in closer coordination between VPS/ESG of the IDB and RSM/SEG of IDB Invest and in consultation with the ICIM.

Given the decision adopted by the Chilean Government to restrict mobility in the country as a response to the crisis imposed by the COVID-19 pandemic, and the impact of such decision in terms of avoidance of presential meetings and travel restrictions, the target completion schedule included in the Action Plan may have to be revisited for certain actions. Similarly, the current schedule for the completion of the Project may be adjusted as a function of the eventual impact of the pandemic to construction activities. Therefore, Management proposes to revisit with the ICIM the action items 1, 2 and 3 proposed in the following Action Plan within three month-time, to evaluate the need to adjust schedule and the applicability of virtual engagement alternatives as opposed to the currently proposed presential meetings.

Management reiterates its commitment to continuing the enhanced supervision of the implementation of the Alto Maipo Hydroelectric Project and to employ available means under the scope of the loan agreement to promote the completion of the Project and the materialization of its positive development impacts.

Table I - IDB - IDB Invest Management's actions to address ICIM ALTO MAIPO Compliance Review Report recommendations

Recommendation	Proposed Actions	Expected delivery or execution date	Situation of deliverables
<p>1. Complete an impact assessment on recreational, tourist and scenic uses at the earliest opportunity, including a management plan for the identified impacts, as required under Directive B.5 of Operational Policy OP-703. Ensure that the environmental and social management plan is consistent with the identified impacts with a view to preventing the harm from occurring and, if it cannot be prevented, put mitigation or offset measures in place within an appropriate environmental and social management plan. Ensure that both the study and the management plan are disclosed in a timely manner and sufficiently in advance to enable the affected population to participate in a meaningful consultation process in keeping with the standards of Directive B.6 of Operational Policy OP-703, i.e., by establishing a two-way dialogue for meaningful consultations. Ensure that measures are put in place to monitor compliance with the management plan during the project's operation phase, consistent with the requirements of Directive B.7. Establish a timetable for execution of these measures, consistent with the requirements of the Operational Policies and project progress.</p>	<p>1.1. Produce the final version of the Recreational, Tourist, and Scenic Uses Impact Study (EURTP).</p>	<p>March 2020.</p>	<p>Study completed.</p>
	<p>1.2. Publish the EURTP.</p>	<p>March 2020.</p>	<p>In March 2020 the study was published on the client's website: https://www.altomaipo.com/descargas/evaluacion-idoneidad-de-realizacion-de-rafting-en-rio-maipo/. In June 2020 it was also published on the IDB's website: https://www.iadb.org/en/project/CH-L1067</p>
	<p>1.3. Invite the stakeholders to participate in the socialization and discussion process of the EURTP.</p>	<p>March 2020.</p>	<p>On March 17th, immediately after the EURTP was published, an email was sent by the client to the kayaker and rafter groups informing them that the study was published and inviting them to initiate the corresponding consultation process.</p> <p>On March 20th, Chile Rafting Group confirmed by email the reception of the invitation and informed that they had forwarded the invite to all rafting operators.</p>
	<p>1.4. Initiate the EURTP consultation process following Directive B.6 of OP-703</p>	<p>As soon as the mobility restrictions imposed by the COVID are lifted.</p>	<p>The consultation process was scheduled to begin in May 2020 but has been delayed due to restrictions imposed by the COVID-19.</p> <p>The option to start the consultation virtually was presented to the rafters on May 1st. However, on May 3rd, Chile Rafting Group indicated that their preference would be to wait to hold presential meetings.</p> <p>By October 2020 and in consultation with ICIM, Management will evaluate the situation on the ground. In case that presential meetings cannot be held, the alternative would be to initiate the consultation process with existing kayakers and rafter's stakeholder groups through virtual platforms.</p>
	<p>1.5. If necessary, establish, together with stakeholders, an implementation compliance program for the management plan, along with its schedule.</p>	<p>Prior to the Project's commercial operation phase.</p>	<p>If any gap or impacts are identified, a plan with mitigation measures will be prepared in accordance with the agreements to be reached during the socialization process of the EURTP with the kayakers and rafters, in accordance with the requirements of OP-703.</p> <p>If such plan is needed, its implementation will begin at least 2 months before the Project's operation phase starts.</p>
	<p>1.6. If a management plan is needed, monitor its implementation.</p>	<p>During the Project's operation phase.</p>	<p>The monitoring of the river flow levels has been continuously observed and it will continue during project's operation. If an additional mitigation plan is required, it will also contain key indicators that will be agreed with the kayaker and rafter's stakeholder groups. From the start of its implementation, the plan will be monitored against such indicators.</p>

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2. At the earliest opportunity, request a comprehensive assessment of the potential social and economic impacts of the flow of workers and the measures taken during the construction phase, once the project enters the operation phase. Based on this assessment, design and implement measures to mitigate, offset, and manage the identified impacts, to be supervised by the Bank	2.1. Enhance the study already prepared by Clodinámica to include: i) an analysis of the impacts that the flow of workers will have once the Project begins its operation phase; and ii) if required, a plan to manage those impacts.	Four months after the contract was signed with Clodinámica.	<p>The contracting of Clodinámica has been approved by the Client. The terms of reference and study methodology will be evaluated and supervised by IDB Invest and they should be in compliance with the pertinent OPs.</p> <p>The signature of the corresponding contract and the startup of the works await the normalization of the situation generated by the pandemic.</p> <p>Management will evaluate the situation on the ground in consultation with ICIM by October 2020, in case that presential meetings and site visits cannot be organized by then. In case that presential meetings can still not be held, the alternative would be to initiate the study through virtual platforms.</p>
	2.2. If a management plan is required, monitor its implementation.	On an ongoing basis after the study has been approved.	<p>If a plan is required, its execution will begin as soon as its contents are approved by IDB Invest.</p> <p>Such plan will contain key indicators against which its performance will be measured, and its implementation will be monitored by IDB Invest.</p>
3. Require an assessment, reflecting a gender perspective, of the social and economic impacts of worker migration, to determine: i) Whether gender impacts on the population have occurred, thus far; and ii) whether the decision to allow workers lodging within the community has impacted, and will impact, the community's female population to a greater degree. The mitigation measures resulting from the assessment should reflect the gender perspective and ensure that the differentiated impacts are not perpetuated. Lastly, ensure that the assessment is performed/supported by gender specialists using appropriate methodologies for studies of this kind	3.1. With the inclusion of a gender specialist, enhance the study already produced by Clodinámica, to: i) include an analysis of whether gender impacts have materialized on the population; (ii) assess whether the decision to host workers in the community has impacted and will impact the female population of the community to a greater degree; and (iii) generate, if required, management measures that consider the gender perspective and ensure that differentiated impacts are not perpetuated.	Four months after Clodinámica has received the order to proceed.	<p>A work order for Clodinámica has been issued by the Client. A proposal with the methodology to be used in the study and the CVs of the team have been submitted and are under revision by IDB Invest gender specialists.</p> <p>Once approved, the study will start under supervision of IDB Invest's gender specialist guidance. The study will be compliant with relevant OPs.</p> <p>By October, 2020 and in consultation with ICIM, Management will evaluate the situation on the ground. In case that presential meetings can still not be held, the alternative would be to initiate the study through virtual platforms.</p>
	3.2. If a management plan is required, monitor its implementation.	Immediately after the enhancement of the study already prepared by Clodinámica's has been approved.	<p>If a plan is required, its execution will begin as soon as its contents are approved by IDB Invest.</p> <p>Such plan will contain key indicators against which its performance will be measured, and its implementation will be monitored by IDB Invest.</p>

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4. Introduce (either in the environmental and social, health, and safety action plan (ESHSAP) or in a corrective action plan, as most convenient based on the project's arrangements) a mitigation measure in relation to the "arrieros" (muleteer's) activities during the construction stage, consisting of ensuring that a communication protocol is in place to make this group aware of blocked roads and trails, as well as blasting schedules, sufficiently in advance, and supervise the Client's compliance with this measure.	4.1. Monitor existing communication channels with the group of "arrieros" (muleteers).	Permanently through the routine supervision process of the Project.	<p>As most of the superficial and underground works have been finished, and the construction methodology for the drilling of the remaining portions of the tunnels has been changed from drill and blasting to digging by means of tunneling boring machines (TBM), it is very unlikely that blasting activities will be performed by the Project. Furthermore, as most of the Project's superficial works are already finished, the likelihood of road blockages is low.</p> <p>Notwithstanding, the communication protocols that allow the "arrieros" and ranchers to know with enough anticipation about temporary road and path blocks (for the transit of extra wide cargo or for the loading and unloading of such freight), as well as eventual blasting schedules, have been updated and are in place.</p> <p>As per the RCA requirements, since 2012, semi-annual surveys have been undertaken to verify that the "arrieros" and ranchers have been consulted, informed and made aware of blocked roads and trails, as well as of blasting schedules with enough anticipation. Evidence of having fulfilled this requirement throughout time has been submitted periodically to the local authorities.</p> <p>Throughout the Project's construction phase, IDB Invest will continue to monitor the effectiveness of such protocols. Once the Project's construction is completed this temporary impact would be over.</p>
5. Require an analysis of whether the existing mitigation measures are adequate in view of the updated traffic increase data, considering the cumulative impacts; establish a corrective action plan if the mitigation measures are found to be inadequate; and strictly supervise the plan's implementation during the remainder of the construction stage.	5.1. Analysis of the traffic reports	May 2020	The analysis of traffic reports has been made.
	5.2. Constantly monitor the traffic associated with the Project and its proposed management measures.	Permanently through the supervision process.	<p>The control of the traffic associated with the Project has been monitored from the very beginning of the Project.</p> <p>To date, under the RCA and the Compliance Program or "PdC" (http://spdc.sma.gob.cl/Documento/Descargar?idDocumento=36) approved by the Superintendence of the Environment (SMA), regular traffic control campaigns (type, weight, speed, schedules, etc.) are being held.</p> <p>Among other measures, the PdC requires all vehicles of the Project to be equipped with GPS to determine their location and speed in real time and with that information generate daily reports.</p> <p>The firm AMBITRANS produces quarterly reports on vehicle traffic behavior associated with the Project and, if necessary, constantly generates measures to reduce the number of violations. These reports will continue to be prepared for up to two years after the completion of the Project's construction stage.</p> <p>Actions aimed at controlling traffic impacts related to the Project activities have shown good results.</p> <p>IDB Invest will continue to monitor the traffic reports, eventual traffic complaints received via the project's grievance mechanism and other</p>

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			relevant information and work with the client to address any potential unmitigated impacts.

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<p>6. Group: Strengthen IDB Group staff understanding and capability to implement the requirements of Operational Policy OP-761 (Operational Policy on Gender Equality in Development) and any relevant policy applicable to the process of identification, assessment, and mitigation of gender-based impacts in operations, as well as related to any requirements ensuring the safe, effective participation of vulnerable groups. Specifically, develop guidelines for implementing Operational Policy OP-761 and other policies related to such impact, in order to strengthen compliance with these policies and their proper implementation in Bank operations. Establish a blanket zero-tolerance policy toward gender-based violence as part of the IDB Group's environmental and social commitments and ensure that this requirement is captured on contractual conditions of operations approved by the IDB Group.</p>	<p>6.1. IDB management will update the Implementation Guidelines for the Operational Policy on Gender Equality in Development (OP-761), in collaboration with VPS/ESG, BID Invest and GDI and with a particular focus on operationalizing the provisions on preventing and addressing risks of sexual and gender-based violence, and human trafficking.</p>	July 2021	Guidelines not initiated
	<p>6.2. VPS/ESG, together with IDB Invest and with guidance from GDI, will provide training to IDB Group staff and support to operations, regarding the implementation of safeguards associated with the Operational Policy on Gender Equality in Development (OP-761)</p>	July 2021	Training: A specific section on gender equality and gender-based violence is included in the course "Safeguards Essentials" that was completed by all IDB staff in 2019 and is now available for executing agencies and third-parties.
	<p>6.1. Train all IDB Invest environmental and social officers (E&S) in gender risk assessment and offer the training to IDBG personnel.</p>	Ongoing	In July 2019 IDB Invest offered the first training to all its environmental and social officers. A new course will be offered in 2020 to other IDB Invest personnel and it will be open to IDB staff as well.
	<p>6.2. Require IDB Invest's E&S officers to use the Gender Risk Assessment tool</p>	Permanently through the DD process	Since January 2020, all IDB Invest high-risk corporate and infrastructure projects are being evaluated with the Gender Risk Assessment tool. The tool can also be applied to lower risk projects or to projects in other sectors as considered necessary by IDB Invest SEG officer.
	<p>6.3. Disseminate the guide so that IDB Invest clients can assess and prevent the gender impacts of their projects.</p>	May 2020	The guide for IDB Invest's clients to assess and prevent gender impacts on their projects was disseminated to existing clients and it is publicly available to any parties on IDB Invest website (https://www.idbinvest.org/en/solutions/gender). Since its publication in May 2020 there have been more than 2,300 downloads of the tool.
	<p>6.4. Organize a Webinar for IDB Invest clients to discuss the content of the gender risk assessment tool</p>	Summer 2020	A first webinar took place on July 1 st , 2020, with the participation of over 360 client companies, CSOs, and other interested parties.
	<p>6.5. IDB Invest's clear commitment to identify and address gender-related risks in IDB Invest-supported investments, including by avoiding gender-based exclusion, gender-based violence, sexual exploitation and human trafficking, and requiring clients to define and put in place specific measures to prevent and address these risks; can be found in the body of the new Sustainability Policy.</p>	April 2020	IDB Invest Sustainability Policy was approved by IDB Invest Board and will entry into effect on 15 th December 2020. The Implementation Manual for the new Policy is being developed and it will go through a virtual consultation process before it is approved by IDB Invest senior management. The Sustainability Policy and its Implementation Manual reiterate IDB Invest's commitment to the identification of potential gender-based risks and impacts and require clients to identify and address those type of risks (including by avoiding gender-based exclusion, gender-based violence, sexual exploitation, human trafficking and sexually transmitted diseases). Moreover, the client should put in place specific measures to prevent and address such risks.

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	<p>6.6. Establish a blanket zero-tolerance policy toward gender-based violence as part of the IDB Group's environmental and social commitments and ensure that this requirement is captured on contractual conditions of operations approved by the IDB Group</p>	<p>Ongoing</p>	<p>OP-761 requires the identification of gender-based risks (paragraph 4.15). Where such risks are identified, the Borrower is required to define adequate mitigation measures as part of project's Environmental and Social Management Plan (ESMP), which is a contractual condition in its totality. A common measure is to require the work's contractor to implement a Workers Code of Conduct establishing a zero-tolerance policy for gender-based violence. The new IDB's Standard Bidding Documents for Works published in January 2020 now also require the contractor to adopt an Environmental and Social Policy committing to "be intolerant of, and enforce disciplinary measures for GBV, inhumane treatment, sexual activity with children, and sexual harassment". In addition, the IDB has endorsed in 2018 the International Finance Institutions' (IFIs) Joint Statement on Continuous Advancement of Standards to Prevent Sexual Harassment, Abuse, and Exploitation.</p>