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ARGENTINA

MICI-AR-2010-0004

**SIXTH MONITORING REPORT
CONSULTATION PHASE**

**MULTIPHASE PROGRAM FOR THE DEVELOPMENT OF PRODUCTION SUPPORT INFRASTRUCTURE
IN ENTRE RÍOS – PHASE 1
AR-L1036**

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

ELECTRONIC LINKS

1. Original Request
<http://www.iadb.org/document.cfm?id=38814594>
2. Consultation Phase Report
<http://www.iadb.org/document.cfm?id=37545876>
3. First Monitoring Report
<http://www.iadb.org/document.cfm?id=38165900>
4. Second Monitoring Report
<http://www.iadb.org/document.cfm?id=38749645>
5. Third Monitoring Report
<http://www.iadb.org/document.cfm?id=39530847>
6. Fourth Monitoring Report
<http://www.iadb.org/document.cfm?id=40169064>
7. Fifth Monitoring Report
<http://www.iadb.org/document.cfm?id=40863817>
8. Loan Proposal
<http://www.iadb.org/Document.cfm?id=1232679>
9. Environmental Impact Assessment
<http://www.iadb.org/Document.cfm?id=1034648>

ABBREVIATIONS

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| ENERSA | Energía de Entre Ríos Sociedad Anónima |
| MICI | Independent Consultation and Investigation Mechanism |
| PCU | Program execution coordination unit |

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I. BACKGROUND ON MONITORING FROM THE MICI POLICY

- 1.1 The Request presented in connection with the Multiphase Program for the Development of Production Support Infrastructure in Entre Ríos was received by the MICI on 28 June 2010.
- 1.2 On 17 December 2014, the Board of Executive Directors of the IDB approved the MICI's new Policy. With a view to clarifying the procedure for managing cases under the previous policy, the Board approved a Transition Plan on 4 February 2015 (which included Case AR-MICI001-2010).
- 1.3 In accordance with the Transition Plan, the time limit for monitoring all cases, including Case AR-MICI001-2010, will be five years from the entry into effect of the new MICI Policy. The MICI will also submit an annual Monitoring Report to the Board of Executive Directors for information.

II. BACKGROUND ON THE CASE

- 2.1 In December 2012, the parties reached an agreement, i.e. a Memorandum of Understanding and Commitment, during the MICI Consultation Phase. That memorandum represents the coordination of actions among a variety of stakeholders, including the Requesters, Energía de Entre Ríos Sociedad Anónima (ENERSA), the IDB, the program execution coordination unit (PCU), the Municipality of Paraná, the Provincial Highway Authority, and the Ministry of Health of Entre Ríos Province.
- 2.2 Despite considerable progress made in fulfilling many of the core agreements, in September 2016, the Requesters asked for a modification of the compensatory works agreed upon in 2012, which was accepted by all the parties. The modification is based on the inability to move forward with the construction of a health center, as it would require coordination between the Municipality of Paraná and the Provincial Government of Entre Ríos to transfer the land on which the center was to be built, as well as the center's approval by the pertinent government authorities. Both of these matters fall outside the scope of the parties' decision-making authority.
- 2.3 Following the modification of the compensatory works, the actions pending fulfillment focused on improving the road network in Barrio El Brete as well as providing that community with drinking water service and street lighting.
- 2.4 The background information on Case AR-MICI001-2010 and the public documentation prepared during the process can be consulted in the MICI's Public Registry,¹ which includes all monitoring reports prepared by the MICI to date.

III. ACTIONS TAKEN DURING THE REPORTED MONITORING PERIOD

- 3.1 Two meetings of the Citizen Participation Committee were held in 2017, in which the Requesters, ENERSA, the IDB, and the MICI participated via telephone. At these

¹ The relevant public documents can be accessed via the electronic links section.

meetings, the participants shared their views on the actions that would be necessary to advance in fulfilling the pending agreements. The MICI also held numerous bilateral meetings with the parties and the facilitation team to monitor the actions taken with respect to the monitoring plan.

- 3.2 Regarding the installation of street lighting in Barrio El Brete, the Requesters took it upon themselves to obtain approval for this work from the Municipality of Paraná. However, as of the date of this report they had not yet secured this authorization. The possibility of supplying water service related to the Request filed with the MICI has been discarded, since it falls outside ENERSA's areas of expertise.
- 3.3 The Provincial Highway Authority will be responsible for the road improvement works, to be financed by ENERSA in accordance with the agreements reached. Accordingly, technical staff of the Provincial Highway Authority have made a number of visits to Barrio El Brete over the course of the year to examine the options for implementing the works.
- 3.4 A meeting was held in October between the Requesters, ENERSA, the PCU, and representatives of Highway Division of Entre Ríos Province. On that occasion, a proposal for improving the roads of Barrio El Brete was presented, and agreement was reached among the parties regarding the terms and scope for this compensatory work. Based on this agreement, ENERSA and the PCU initiated the paperwork required to secure approval for the work.

IV. NEXT STEPS AND CONCLUSIONS

- 4.1 The administrative process for implementing the compensatory work to improve the roads of Barrio El Brete is currently awaiting approval from the Entre Ríos Provincial Government. In late November, changes were made to the structure of both the Entre Ríos Provincial Government and the Provincial Highway Authority. This has led to delays in the administrative process for preparing bidding documents and arriving at a final price for the work.
- 4.2 The parties have agreed that the MICI process can be concluded once the Government approves the compensatory work and breaks ground on the road improvement works, having fulfilled the commitments assumed.
- 4.3 The MICI awaits the initiation of this last compensatory road improvement work by the Provincial Highway Authority, and will then conduct a verification mission and close Case AR-MICI001-2010.