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AND INVESTIGATION MECHANISM

ARGENTINA
MICI-BID-AR-2021-0164

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

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LINKS
<ol style="list-style-type: none"><li data-bbox="251 289 1372 346">1. Public Registry File for Request MICI-BID-AR-2021-0164 https://www.iadb.org/en/mici/complaint-detail?ID=MICI-BID-AR-2021-0164<li data-bbox="251 373 1372 430">2. Eligibility Memorandum for Request MICI-BID-AR-2021-0164 https://www.iadb.org/document.cfm?id=EZSHARE-387009157-154<li data-bbox="251 457 1372 514">3. Loan Proposal for Development Program for Metropolitan Areas Outside the Capital – (AR-L1243) https://www.iadb.org/Document.cfm?id=EZSHARE-1236693572-23<li data-bbox="251 541 1372 630">4. Environmental and Social Management Report (ESMR) for the Development Program for Metropolitan Areas Outside the Capital – (AR-L1243) https://idbdocs.iadb.org/wsdocs/getdocument.aspx?docnum=EZSHARE-1236693572-20<li data-bbox="251 657 1372 772">5. Link to the Argentine Government’s project website for the “Paganini Complex Redevelopment and Modernization Plan” https://www.argentina.gob.ar/dami/noreste/metropolitana-de-rosario/proyectos/reordenamiento-rehabilitacon<li data-bbox="251 800 1372 888">6. Environmental and social import report and environmental and social management plan for the “Paganini Complex Redevelopment and Modernization Plan” https://www.argentina.gob.ar/sites/default/files/02_complejo_paganini_anexo_i_ambiente_0.pdf<li data-bbox="251 915 1372 1003">7. Community engagement report for the “Paganini Complex Redevelopment and Modernization Plan” project https://www.argentina.gob.ar/sites/default/files/03_complejo_paganini_anexo_ii_participacion_0.pdf<li data-bbox="251 1031 1372 1087">8. Consultation Phase Assessment Report for Request MICI-BID-AR-2021-0164 https://www.iadb.org/document.cfm?id=EZSHARE-387009157-160<li data-bbox="251 1115 1372 1203">9. Consultation Phase Report for Request MICI-BID-AR-2021-0164 (with the final Agreement in an annex) https://www.iadb.org/document.cfm?id=EZSHARE-387009157-168

ABBREVIATIONS

Bank or IDB	Inter-American Development Bank
ECOM	Rosario Metropolitan Coordination Entity
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 updated on 14 April 2021, which governs the MICI's handling of Requests related to operations financed by the IDB or the MIF (document MI-47-8)
Parties or Stakeholders	The Requesters, Management, the Borrower, the Client, and/or the Executing Agency, as applicable
Program	Development Program for Metropolitan Areas Outside the Capital II (AR-L1243)

EXECUTIVE SUMMARY

The objective of the project “Redevelopment and Modernization Plan for the Site of the Eva Peron Teaching Hospital and Juan Domingo Peron 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 urban furnishings and street lighting; (iv) leveling of natural terrain; (v) creation of rainfall reservoirs, intakes, and connections to the city’s storm drain network; and (iv) forestation of green areas.

The involvement of the Inter-American Development Bank (IDB) in addressing this issue has been through the “Development Program for Areas Outside the Capital II” (AR-L1243), a sovereign-guaranteed multiple works investment loan 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 it is currently in implementation. The operation’s guarantor 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 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 recounts 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 Peron 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, and cultural use, whose use for private residential ends is prohibited; installation of signage and speed reduction features on Chacabuco Street, which crosses the site running north to south; 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 Peron Teaching Hospital and Juan Domingo Peron Boarding School."

This report relates the actions taken during the period from September 2021 to September 2022. During this period, there was a meeting of the monitoring committee and a field mission in May 2022. The MICI also remained in constant contact with the Parties through bilateral meetings to ascertain and jointly evaluate progress toward compliance with the commitments.

During the first year of monitoring, the MICI recorded significant advances on point 1 of the Agreement, with 560 tree specimens already planted. Point 2 is in the process of contracting consultants, and the terms of reference for contracting them include what was agreed on 23 August 2021. As reported by the executing agency since the start of the works, points 3 and 4 will be fulfilled upon completion of the construction work. Point 5 is 100% implemented. The MICI noted that the Parties have 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 constructed and that the streets would remain separate and would not intersect with the street that runs in front of the Evita Chalet. The executing agency and the subexecuting agency maintained that both 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 cements barriers were installed to prevent the sensation that this street continues.

Throughout the period analyzed, there were various structural challenges that impacted fulfillment of the Agreement. The pandemic situation affected both the Agreement's implementation and the monitoring activities by limiting local and international travel. The executing agency asked the IDB for an extension of the deadline for completing the work, which postponed the implementation of the points in the Agreement related to its completion. The MICI emphasizes the efforts made by and the flexibility of IDB Management, the Ministry of Territorial Development and Habitat, and the Office of the Deputy Secretary in addressing the Requesters' concern regarding the possible extension of Paine Street. Similarly, the MICI recognizes the existence of direct channels of communication between the executing agency and the group of Requesters, which was reflected in the purchase of 11 tree specimens donated by the environmental organization linked to the group of Requesters, which have already been planted on the site.

In what remains of 2022 and during 2023, the MICI will continue with the monitoring activities by organizing and facilitating virtual and in-person monitoring sessions. The MICI will conduct a mission to Granadero Baigorria in December 2022 and another in the first half of 2023 to facilitate in-person meetings with the Parties and assess progress made in fulfilling the Agreement. In October 2023, the Second Annual Monitoring Report will be issued providing an account of various actions taken and progress achieved.

I. BACKGROUND

- 1.1 The “Development Program for Metropolitan Areas Outside the Capital II” (AR-1243) (hereinafter the “program”) is a sovereign-guaranteed investment loan approved by the Board of Executive Directors on 26 October 2016. The initial loan amount was US\$100 million, which was later adjusted to US\$50 million (US\$40 million from the Bank and the rest as a local counterpart contribution). The operation’s guarantor is the Argentine Republic. The Ministry of Territorial Development and Habitat is the executing agency, and the Office of the Deputy Secretary for Externally Financed and Investment Projects of the Province of Santa Fe’s Ministry of the Economy is the 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 it is currently 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, Institutional 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 as a multiple works program since it would 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 (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 describe 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 Peron Teaching Hospital and Juan Domingo Peron Boarding School.”

- 1.6 The Request was declared eligible on 27 May 2021. On 22 July 2021, after an evaluation regarding the feasibility of conducting a process of dialogue, the MICI Consultation Phase process began.
- 1.7 During the Consultation Phase process, the MICI convened and facilitated three structured dialogue sessions, following up the subjects predefined by the Parties in the agenda and using a methodology approved by consensus at the start of the process. 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 tree specimens 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 With regard to monitoring the agreements reached, 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 Directors was approved on 27 September 2021 via the no objection procedure.
- 1.9 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.¹

II. MICI POLICY AUTHORITY FOR THE MONITORING OF AGREEMENTS

- 2.1 Paragraph 35 of the MICI Policy (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 In-person contact and missions to project sites are essential for the execution of activities during all stages of the Consultation Phase. The COVID-19 pandemic and the restrictions imposed to mitigate the spread affected both execution and

¹ Access to the public documents on the case can also be obtained via the links section.

monitoring activities. As pandemic-related conditions relaxed, the MICI conducted a monitoring mission in May 2022. The activities are reported below:

- 3.2 **Monitoring missions.** In May 2022, the MICI conducted a field monitoring mission. During the mission, the MICI held meetings with the group of Requesters, the IDB, and the Ministry of Territorial Development and Habitat. The MICI visited the project site on 19 May 2022. That visit included representatives from the executing agency, the subexecuting agency, the municipal government of Granadero Baigorria, and the IDB.

Image 1. Meeting with the group of Requesters at the project site on 18 May 2022.



Source: MICI.

Image 2. Meeting with the Ministry of Territorial Development and Habitat, the Office of the Deputy Secretary for Externally Financed and Investment Projects of the Province of Santa Fe's Ministry of the Economy, the municipal government of Granadero Baigorria, and IDB Management on 19 May 2022.



Source: MICI.

- 3.3 **Bilateral and Monitoring Committee meetings.** The MICI facilitated a virtual meeting of the Monitoring Committee, preceded by preparatory sessions with each Party, with the participation of the Consultation Phase Coordinator and the Case Officer. The MICI did not hold other Monitoring Committee meetings because implementation of the points in the Agreement is contingent upon an advanced stage of progress or completion of the work.
- 3.4 **Periodic contact of the MICI with the Parties.** During the period of observation, the MICI maintained monthly contact with the Parties via telephone calls, WhatsApp messages, and electronic exchanges. In addition, it facilitated various meetings at the request of the Parties, as necessary. In the context of those exchanges, the MICI took the opportunity to learn about each Party's views regarding progress made in complying with the agreements, to identify the challenges to completion of the agreed activities, and to propose possible actions to address them.
- 3.5 **Monitoring the media and important events.** During the period of observation, the MICI did periodic monitoring of print media, social networks, electronic portals, and events in order to identify relevant contextual information that could have some effect on the implementation and monitoring of the agreed activities.
- 3.6 **Compliance status.** As of September 2022, the following was observed:

- 3.7 Environmental impacts of the works. According to official communication with the executing agency on 29 August 2022, the forestation plan is being executed, with progress at 70%, keeping to a proportion of 80% native specimens and 20% exotic specimens. The MICI also recorded a donation of 11 tree specimens from the Baigorria Verde organization in a partnership with the John Deere Foundation. These specimens were planted on the site on 22 September 2022. The MICI emphasizes the commitment made by the Requesters to contribute to the project and the openness of the executing agency and subexecuting agency to providing this collaboration.
- 3.8 Site governance. According to information provided by the executing agency dated 29 August 2022, the Ministry of Territorial Development and Habitat is analyzing the appraisal report submitted by the executing unit and is in the process of contracting consultants. According to information from IDB Management, on 20 April 2022 the Bank gave its no objection to the terms of reference for contracting the specialist and assistant who will prepare the proposed operating regulations for the site Management Committee. The MICI noted that those terms of reference included stakeholder mapping and development of mechanisms or concrete formulas for adding a community representative to the Committee. In a communication dated 28 September 2022, the Requesters expressed to the MICI their concern regarding the possibility that the Management Committee may not be defined and operational when the work is completed.
- 3.9 Land use. According to official communication with the executing agency on 28 September 2022, provision is made for transferring the streets crossing the site to the Municipio of Granadero Baigorria once the work is completed. In the same communication, the Ministry of Territorial Development and Habitat explained that transfer of the streets requires a survey of the land at the provincial Cadastre Office, which will be conducted upon completion of the work.
- 3.10 On the updating of official project documents that refer to “transfer of the site’s lands to the Municipality of Granadero Baigorria,” the executing agency indicated that the project’s final document containing this mention has not been updated. According to the Ministry of Territorial Development and Habitat, the Metropolitan Coordination Entity (ECOM) commented that the PDF format of the project’s official documents does not allow for changing the text. In a communication dated 28 September 2022, the group of Requesters again emphasized the importance of this point of the Agreement.
- 3.11 Streets and related aspects. According to official communication with the executing agency on 29 August 2022, the signs and speed reduction features will be installed upon completion of the work before the streets are opened. In another communication dated 28 September 2022, the executing agency informed the MICI that once the work is completed, the main access to the site will be locked closed, and signage will be installed on San Martín Avenue indicating that Eva Perón and Silvestre Begnis Streets must be used to enter the site.
- 3.12 In its visit to the project site on 19 May 2022, the MICI noted that there is a natural separation with preexisting lines between the parking lot on Urquiza Street and the street where Evita’s Chalet is located, to which barrier rails will be added. On the same subject, the MICI noted that space is provided for creating a separation with barrier rails, the prototypes for which were presented to the MICI, to be placed between the parking lot on Paine Street and the street that runs in front of Evita’s

Chalet. However, the paving stones of the parking lot on Paine Street meet the asphalt of the street that runs in front of Evita's Chalet, which is cause for some concern among the Requesters given possible changes that could be made later to join the parking lot to the street in question, thus allowing for vehicular traffic. During the same visit, the executing agency and subexecuting agency maintained that the two cross streets will be separated from the street where Evita's Chalet is located by a double row of barrier rails.

- 3.13 In the context of the monitoring mission conducted by the MICI, the MICI held a bilateral meeting with a group of Requesters on 18 May 2022, who expressed their concern regarding the possible continuation of Paine Street beyond the street where Evita's Chalet is located. They explained that this concern was because lights had been installed in a straight line and continued in the direction of Paine Street, even though it ends at the above-mentioned parking lot.

Image 3. Connection of paving stones in the parking lot on Paine Street with the asphalt on the street where Evita's Chalet is located, and lamp posts installed beyond the end of Paine Street, as of 18 May 2022.



Source: MICI.

- 3.14 The MICI communicated the Requesters' concern to the executing agency and subexecuting agency. Both teams confirmed that Paine and Urquiza Streets will end at the parking lots and in order to address their concern, the executing agency installed cement barriers and planted a row of trees beyond the end of Paine Street.

Image 4. Cement barriers and trees installed to address some of the Requesters' concerns



Source: Ministry of Territorial Defense and Habitat.

- 3.15 Site name. According to information provided by the Ministry of Territorial Development and Habitat on 29 August 2022, all the official documentation of the executing agency and the subexecuting agency has been updated with the name of the site mentioned in the Agreement. The Bank reported, in a communication dated 14 September 2022, that all official IDB documentation was updated to include the name of the site as the “Site of the Eva Perón Teaching Hospital and Juan Domingo Perón Boarding School.” The MICI noted that the name of the site was changed on the website of the national government² and the website of the Province of Santa Fe.³ In a communication dated 28 September 2022, the group of Requesters indicated that although this is not mentioned as a commitment in the Agreement, the name of the site on the ECOM website continues to be the “Paganini Complex.”⁴

IV. CONCLUSIONS AND NEXT STEPS

- 4.1 In the period analyzed in this report, the MICI observed the implementation of activities intended to comply with the MICI Agreement. Full compliance with most of the points is linked to the conclusion of the work. Given that the work has not been completed, implementation of the Agreement in its entirety was not possible during the first year of monitoring. According to an official communication from the Ministry of Territorial Development and Habitat dated 29 August 2022, the projected completion date of the work is 30 November 2022 and progress made to date on the work is equal to 69.23%.
- 4.2 The MICI noted significant progress made on point 1 of the Agreement, with 560 tree specimens already planted. Point 2 is in the process of contracting consultants, and the terms of reference for their contracting include what was agreed on 23 August 2021. As the executing agency reported from the start of the works, points 3 and 4 will be satisfied upon completion of the construction work.

² Link: <https://www.argentina.gob.ar/dami/noreste/metropolitana-de-rosario/proyectos/reordenamiento-rehabilitacon>

³ Link: [https://www.santafe.gob.ar/index.php/web/content/view/full/236916/\(subtema\)/217070](https://www.santafe.gob.ar/index.php/web/content/view/full/236916/(subtema)/217070)

⁴ Link: <https://ecomrosario.gob.ar/proyect/1>

Point 5 is 100% implemented. The MICI noted that the Parties have different perceptions regarding point 4.2 of the Agreement, which provides that Paine and Urquiza Streets approaching the Paraná River should end at the parking lots that are already constructed, and that the streets should be separated and should not intersect with the street that runs in front of Evita's Chalet. The Requesters point out that the paving stones of the parking lot on Paine Street meet the asphalt on the street where Evita's Chalet is located. The executing agency and the subexecuting agency maintained that both parking lots will be separated by a double row of barrier rails impeding the passage of automobiles.

- 4.3 During the implementation of the Agreement, some structural challenges were noted. First, the MICI noted that the pandemic situation affected both implementation and monitoring activities by limiting local and international travel. In addition, the executing agency's request for an extension of the deadline for completing the work delayed the implementation of the points in the Agreement that depend on its completion.
- 4.4 The MICI emphasizes the efforts made by and the flexibility of IDB Management, the Ministry of Territorial Development and Habitat, and the Office of the Deputy Secretary in addressing the Requesters' concern regarding the possible continuation of Paine Street. In addition, the MICI recognizes the benefit of the direct channels of communication between the executing agency and the group of Requesters, which allowed for bilateral coordination for the contribution that the group of Requesters made of 11 tree specimens donated by the environmental organization linked to the group and that have already been planted on the site.
- 4.5 During the second year of monitoring, the MICI will continue monitoring activities by organizing and facilitating dialogue sessions. The MICI will conduct at least one mission to Granadero Baigorria to facilitate in-person monitoring meetings and to evaluate progress made on compliance. The MICI will provide the Parties with ad hoc support as needed and will continue to evaluate any circumstances that could weaken the process. A Second Annual Monitoring Report will be issued in October 2023 relating the various actions taken and the progress achieved.