



San Carlos de Bariloche is one of the main touristic cities in Argentina. In 2017, a remodeling of the Mitre Street was started in order to promote pedestrian flow through Bariloche's most commercial and touristic area. Two years later, over 250 businessowners watched concerned as the project seemed to never end, their incomes plummeted, and the future of their businesses was jeopardized with the final design of the partial pedestrianization project. After attempts to negotiate with the Municipality, the merchants turned to MICI, given the Inter-American Development Bank financed the project. In just two months an agreement that allowed for the completion of the works while respecting the interests of all parties involved was reached.

The San Carlos de Bariloche remodeling and revaluation project sought, among other goals, to prioritize pedestrian circulation and create higher quality public spaces, widening sidewalks and discouraging the circulation of vehicles at high speeds. The intervention originally comprised nine blocks of Mitre Street, with an expected duration of eight months.

The project was part of the Productive and Tourism Infrastructure Program for the Province of Río Negro. Its objective was to support the strengthening and consolidation of the agricultural and touristic areas in the province to increase their competitiveness in internal and external markets. The Inter-American Development Bank financed the project and the *Unidad Provincial de Coordinación y Ejecución de Financiamiento Externo (UPCEFE)* in Río Negro was in charge of the project's execution.

In February 2019, a group of 287 businessowners from the Mitre Street filed a complaint with the Independent Consultation and Investigation Mechanism (MICI), which manages complaints related to potential environmental and social impacts of any project financed by the IDB Group. Among other aspects, they alleged that the delay in the execution of the work — originally estimated at approximately eight months but already taking more than two and a half years without completion — affected the access of people and vehicles to the street, impacting their income due to the drop in tourist and commercial activity in the area. They also denounced that the original design of the project had been modified, and that if implemented it could generate a greater drop in sales in the future, and even the closure of businesses, especially once the entire Mitre Street was in process of pedestrianization. Additionally, the businessowners criticized the lack of access to information regarding the project, the execution time and the effect on pedestrian and vehicle traffic during construction.

### February 2019

The street businessowners file a complaint to MICI, having had conversations with the Municipality attempting to reach a consensus regarding their problem.

### May 2019

**May 6:** The Consultation Phase begins. Bilateral meetings are held with the Parties and a need for a fast-paced dialogue process is identified.

**May 24:** Through an intense process of bilateral meetings and two consecutive days of dialogue sessions, the Parties reach an agreement under MICI's facilitation. The agreement includes provisions on the project's design, access to information, and the generation of technical studies, among other things.

### December 2019

The central elements of the agreement, linked to the development of the project, are finalized before the start of tourist season. In the following months, other agreed upon aspects such as illumination and landscaping continue to be implemented with the participation of all Parties and under MICI's supervision.

### July 2021

On July 8<sup>th</sup>, 2021, MICI's last monitoring session is held and the Mobility Study for Bariloche's city center is presented. With this presentation all pending items of the agreement are fulfilled, and the case is closed.

# KEY ELEMENTS OF THE PROCESS

The management of this complaint has contributed different lessons and positive experiences in MICI's resolution process.

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## Joint and tailored design

Every dispute resolution case is different in complexity, context, history, and particular dynamics. When designing the dialogue process, MICI promoted a joint preparation of its methodology and format, addressing the interests and preferences of each party. In this case, the key elements were:

### ➔ Attention to the timeline and methodology adaptation.

The construction works of this project had been extended for over two and a half years, with consequent impacts for neighboring businesses and people. Additionally, construction was close to being finished, so the timeframe for a productive conversation was very short. Given these circumstances, and after conversations with all parties, MICI proposed an intense work methodology where the Evaluation and Consultation Phase Process stages were carried out simultaneously. This meant that bilateral meetings were held early in May and two dialogue sessions on consecutive days at the end of the month. This was key in reaching an agreement.

➔ **Incorporation of key actors.** MICI Policy only recognizes three parties in a MICI process: the requesters, the executing agency, and the IDB. However, MICI officials may propose the incorporation of "relevant third parties" to a dispute resolution process. In this case, the Municipality of San Carlos de Bariloche was incorporated in bilateral meetings as well as in the dialogue and monitoring stages. The Municipality's role in the inspection of the project and as a first-hand interlocutor with the local businesses made it a fundamental actor in this MICI process. The company in charge of the implementation of the works was also a participant in the dialogue, providing immediate answers, from an engineering and architectural perspective to the solutions that were being workshopped as part of the dialogue process.





# 2

## Constant monitoring

The monitoring stage lasted 25 months, until full compliance of the agreement was verified. During this time, over 38 meetings were held. These, happening mostly virtually due to the COVID-19 pandemic, were fundamental in ensuring compliance of the agreed upon commitments.



# 3

## Flexibility to attend to problems

Flexibility and creativity from the parties was essential to fulfill the agreement that addressed the concerns raised in the Request.

- ➔ **Alternative measures.** In certain cases, specific elements of the agreement couldn't be fulfilled as planned. In this case, access to information on the state of the connections and discharges of the sewer to pluvial system was a challenge. Although it was not possible to get all the required information from the *Cooperativa Eléctrica de Bariloche*, IDB efforts provided an opportunity to obtain complimentary information about the state of the sewer system and the development of projects related to said system.
- ➔ **Adaptation of agreed upon aspects.** The agreement included the elaboration of a mobility study financed by the IDB and carried out by the executing agency. However, given that a consulting agency could not be contracted before finalizing the project, the IDB agreed to finance the study and hired a consulting team that worked with the Municipality and the executing agency. Another aspect of the agreement entailed planting 30 trees (3 *maitenes* and 27 units of *lenga* or *ñire*). In the end the parties agreed to the installation of arrayanes as a way to attend to the Requesters' interest of imprinting local identity on Mitre Street. .



## MAIN PROCESS RESULTS

Thanks to MICI's mediation process, this remodeling and enhancement project was able to be completed in a way that all parties deemed successful.

- ➔ **A street for coexistence.** Mitre street was configured as a semi pedestrian area, with the compromised road width, and with docks for passenger boarding and exiting. This aspect was key for business owners since it guarantees access to their establishments for commercial activities.
- ➔ **A mobility plan for the city center** in San Carlos de Bariloche, elaborated with participation from the requesters, and that includes measures to improve accessibility, transit, parking, and sustainable mobility, among other aspects.
- ➔ Other **complimentary measures** to facilitate access to information about the installation of guide lighting and water testing aimed at evaluating the correct operation of the rain and wastewater drainage.
- ➔ **Increase in the number of businessowners that benefitted** from the special fiscal relief measures granted by the provincial government.
- ➔ **Autochthonous landscaping on Mitre Street**

## What is the Consultation Phase?

The Consultation Phase is the dispute resolution process offered by MICI that seeks to reach an agreement that will tend to the Requesters' concerns in a voluntary, flexible, and collaborative manner between all parties involved. Since 2010, agreements have been reached in two out of every three cases where a dialogue was possible. This case marks the thirteenth case concluded with full agreement implementation to date. Five cases remain in monitoring.

To learn more about the Consultation Phase:

- > [MICI Reflections — Consultation Phase 2010-2019: Nine Years of Dispute Resolution Experience](#)
- > [Guidelines for the Consultation Phase](#)

Other documents of this series “Agreements to improve lives”:

1. [MICI's experience with the Reventazón hydroelectric project](#)

## THE PROJECT

Country: Argentina

Sector: Transport

Project Number: AR-L1106

IDB Financing: US\$ 30,000,000

Environmental Category: B

Project Type: Loan Operation

Date received by MICI: February 28, 2019

Case timeline and public documents:  
[Public Registry MICI-BID-AR-2019-0144](#)

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