



European Investment Bank (EIB)

Luxembourg, 16/12/20

Environmental and Social Completion Sheet (ESCS)

Overview

Project Name:	<i>SAINSHAND ONSHORE WIND PROJECT</i>
Project Number:	<i>2014-0699</i>
Country:	<i>Mongolia</i>
Project Description:	<i>The project is a 55 MW greenfield wind farm, comprising 25 wind turbines of 2.2 MW, built outside the town Sainshand in the Dornogovi Province in Mongolia about 450 km south-east of the capital Ulanbataar. The 25 Vestas V110 2.2 MW turbines are of a standard model, with a hub height of 95 m and a rotor diameter of 110 m. Additionally the project included an on-site substation, 6.2 km of transmission line at 110 kV to the nearest existing substation, a control building and 12 km access roads.</i>

Summary of Environmental and Social Assessment at Completion

EIB notes the following key Environmental and Social outcomes at Project Completion

Following the Bank's Board approval of the project, an external due diligence review and gap analysis compliant with international standards such as those of the EBRD, EIB, International Finance Corporation (IFC) and the Equator Principles, was requested from the promoter and produced by the Lenders' Environmental and Social Advisor (LESA). This included a cumulative impact assessment including the transmission line and other related facilities, an environmental and social management plan (ESMP) compliant with the Bank's standards, a stakeholder engagement plan, a livelihood restoration plan for the affected nomadic herders, a biodiversity action plan addressing gaps in ecology baseline surveys and proposing adequate mitigation measures, and habitats assessments. In addition to that, there were a number of additional processes and documentation gaps identified that needed to be addressed to achieve full compliance with the Bank's standards. All in all the additional studies were conditions precedent for Financial Close and were completed to the Bank's satisfaction.

The project is located in an arid desert landscape. The nearest nature conservation site is located 9 km away and is not impacted by the project. The project area is not on the route of bird migration. A few predatory birds are nesting close to the site but they can be diverted away from the wind farm and its transmission line with bird diverters, which have been installed. Top-soil damaged by construction, transport and storage on site has been restored.

The Biodiversity action plan (BAP) was substantially revised to meet the Bank's requirements. It includes surveys on bats and birds and a review of baseline information and the classification of habitats in accordance with international criteria. Implementation of the BAP has been monitored regularly by the LESA.

A separate operational ESMP for the Operational Phase (OESMP) was developed prior to completion of construction reviewed by the Advisor and endorsed by the Lenders. The Advisor is also continuing to follow up on the OESMP through annual reviewing and reporting for three years.



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All actions of the Resettlement Action Plan were completed by the start of construction and met their objectives. In 2019 a review was conducted among the affected households with no further grievances raised.

In Summary, all conditions and undertakings defined when the project was approved for financing by the Bank have been met and the project's residual environmental and social impact is likely to remain low.

EIB notes the following key Environmental and Social aspects to be monitored during operations:

- The monitoring programme for the operational phase includes annual ornithological surveys. This was conducted in 2019 but, given the COVID-19 pandemic, a visit in 2020 by the international environmental and social advisor and its ornithological team has been postponed to 2021.

Summary opinion of Environmental and Social aspects at completion:

EIB is of the opinion based on reports from the promoter and inputs provided by Lenders' Supervisors during Construction that the Project has been implemented in line with EIB Environmental and Social Standards, applicable at the time of appraisal.