



European Investment Bank (EIB)

Luxembourg, 06 September 2018

Environmental and Social Completion Sheet (ESCS)

Overview

Project Name:	<i>IIFCL – Clean Wind Energy (Ratlam)</i>
Project Number:	<i>2016-0429</i>
Country:	<i>India</i>
Project Description:	<i>The project is an allocation under the IIFCL ENERGY SUSTAINABILITY & CLIMATE ACTION FL (2013-0339). The loan is to finance a 100 MW wind farm in the state of Madhya Pradesh including the required civil infrastructure and the connection to the national grid.</i>

Summary of Environmental and Social Assessment at Completion

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

The project concerns the development, construction and operation of a 100 MW wind farm as well as the associated electrical facilities and civil infrastructure. The wind farm is located in the Badnawar sub-district, Dhar District, Madhya Pradesh (India).

At appraisal, the project was deemed acceptable in environmental and social (E&S) terms subject to conditions. The promoter had confirmed to the Bank that project-related involuntary resettlement is limited to a primary school and a stable.

In March 2016, the wind farm was completed with 100 MW installed capacity, as planned.

In January 2017, the IFC (World Bank Group) invested equity into the project promoter. During appraisal of this equity investment, the IFC assessed a sample of projects of the promoter including the 100MW wind farm of this operation here. Following IFC sector guidelines, wind turbines are required to keep a minimum distance to permanent residential buildings (here: 220m). 15 out of the project's 50 wind turbines were identified not to be in line with this IFC requirement and an investigation into safety risks was carried out covering risks from blade throw and tower collapse of wind turbines. Following a consultation process carried out by the promoter with affected households, local village administration and Sub-District Magistrates (SDM), the resettlement of households that resided too close to the turbines was recommended. A total of 72 households eventually decided in favour of the relocation. In contrast, 39 households who have their buildings in a distance of up to 150m to the wind turbines decided not to relocate .

The resettlement process started in February 2017 and it is scheduled to last for 3 years. IFC has required that annual independent audits of the resettlement process be carried out starting in 2018. I.



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At the time of reporting, 36 households have been resettled. There is no household left within 50 m of the WTGs. The households have been relocated to green field areas within 200-300 m from their original location.

Of the 36 households who have been relocated to date, 21 have moved to their own lands and built new houses. A total of 15 households have been relocated to government land identified by the Sarpanch (Village Head) along with the SDM. For the families that were moved to government lands, the SDM had requested the Village Head to enroll their names for the central or state housing scheme to ensure tenure rights to the relocated land.

Houses at the new sites have been constructed by the affected households using the compensation paid by the promoter. The compensation value was determined through discussions with the Village Heads and the SDM. The value was paid based on the entitlement matrix of the Government for different existing structures and for their reconstruction. In most cases the compensation value paid was equal to that given by the government under central or state Aawas Yojana (Housing Scheme).

Besides houses, also common property resources (CPR), like a primary school, are located in close proximity to several wind turbines. Information about CPR resettlement plans is limited. According to the promoter, the planned relocation of a school is in process. After getting approval from all local. Once permission has been obtained, the promoter will construct the school as per the land provided by Land Department of the State at the safest distance from the wind farm and then dismantle the existing school building.

In May 2018, the Bank sent an independent E&S expert to the promoter and the project site in order to collect E&S relevant information with particular reference to EIB's finance conditions and the resettlement process. The consultant also met with affected people.

A comparison between EIB's environmental and social loan conditions and corresponding information at project completion stage is provided in the table below.

Loan condition	Implementation status at project Completion
<p>The promoter to undertake that all relocations triggered by the project are implemented in compliance with the Bank's standards.</p>	<p>All affected households were consulted, safety risks related to being located in close proximity to wind turbines was communicated. Only those households who consented after consultation were relocated. Refusing to resettle was possible but not recommended, given the safety risks.</p> <p>EIB's standard 6 relates to involuntary resettlement. When applying this Standard to the project's involuntary resettlement process, areas of risk and need for further improvement were identified. These included security of land tenure at some of the relocation sites, the promoter's resettlement assistance, its grievance mechanism, and the level of information provided to the Bank.</p>



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Loan condition	Implementation status at project Completion
<p>The promoter to provide a third party expert analysis of all project relevant relocation processes and their compliance with the Bank's social standards, satisfactory to the Bank.</p>	<p>Annual independent audits of the resettlement process will be carried out starting from 2018 at IFC's request. These reports will be shared with the Bank</p>
<p>The promoter to pursue noise and shadow flicker measurements at sensitive receptor during project operation, satisfactory to the Bank. If and where required by international standards, effective mitigation measures shall be put in place.</p>	<p>It is expected that following the resettlement exercise, the number of sensitive noise receptors has been reduced.</p> <p>Provisional noise measurements have been carried out by the promoter at various locations but these were not in line with legal requirements.</p> <p>The promoter will send a final measurement plan to the Bank after completion of the relocation process and identification of sensitive receptors, if any.</p>
<p>The promoter to fully implement the mitigation measures defined in the ESMPs for the wind farm to the satisfaction of the Bank</p>	<p>The Environmental and Social Management Plan (ESMP) of the ESIA report dated May 2016 has been used for the analysis.</p> <p>Based upon available information, the ESMP has been partly implemented by the promoter and its operations contractor. Areas of risk and need for follow-up include the onsite storage of waste and hazardous waste.</p>
<p>The promoter to improve the community and stakeholder participation and the grievance redress system particularly to address the potential impacts caused by noise and shadow flicker.</p>	<p>Project surrounding village Sarpanch (Village Heads) and affected families have a constant communication with the promoter and turbine supplier team at site and have their personal mobile numbers to contact, when required.</p> <p>Grievances from the community are mainly related to the relocation of families located within 150 m of the wind turbines.</p> <p>The grievances have mostly been solved in an informal manner. They are recorded in the grievance register only after confirmation of the grievance at site and those that require a longer time for redress.</p> <p>In the absence of formal documentation, it could not be established whether the Grievance Redress Mechanism at site was effective and fair.</p>



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Loan condition	Implementation status at project Completion
<p>The promoter to carry out Corporate Social Responsibility (CSR) measures in project regions over loan lifetime on a best effort basis and in consultation with the local people.</p>	<p>The following local activities were undertaken by the promoter under CSR:</p> <ul style="list-style-type: none"> • A water ATM (Automated Teller Machines) was constructed in Khiledi village, incl. a borewell for drawing ground water for treatment and a solar plant for providing electricity to the water ATM. A second water ATM was being constructed in Indrawal village. • Boundary walls were erected around the school premises for three schools. • Girl's toilet blocks were constructed in four schools. It was however found that the toilets were not in use, water was not available, and the doors had been vandalized or stolen. • Asha Foundation setup by the parent company of the promoter operated two centres in village Shergarh. The activities carried out in these centres included adult learning and training in sewing for women.
<p>The promoter to fulfil the Bank's project-specific E&S information and reporting requirements.</p>	<p>By the time of project completion, the promoter has provided information on all requested project aspects . Information gaps have been partly closed through the Bank's consultant's monitoring report.</p>

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

Further monitoring of the ESMP implementation and the resettlement process will be carried out by Bank staff on the basis of contractual information requirements.

Annual resettlement audits prepared for IFC will be shared with the Bank for review.

Gaps identified by the Bank's E&S monitoring consultant at project completion will be discussed with the financial intermediary, aiming for an improvement of the project's E&S performance if and where possible.

Summary opinion of Environmental and Social aspects at completion:

EIB is of the opinion based on reports from the promoter, the Bank's E&S monitoring consultant and input provided by the IFC, that the Project has been partially implemented in line with EIB Environmental and Social Standards, applicable at the time of appraisal.