Home

EGP India - Thar

Disclaimer

This Environmental and Social Review Summary (ESRS) is prepared by IFC to disclose its findings and recommendations related to environmental and social considerations regarding potential investments. Its purpose is to enhance the transparency of IFC's activities. For any project documentation or data included or attached herein, whether prepared by the project sponsor or otherwise, authorization has been given for public release by the project sponsor. IFC considers that this ESRS is of adequate quality for release to the public, but has not necessarily independently verified all of the project information therein. The ESRS may be periodically updated after publication. Board dates are estimates only and this document should not be construed as presuming the outcome of the Board Directors' decision. The following ESRS is disclosed in accordance with IFC's Access to Information Policy (AIP) that went into effect on January 1, 2012.

The map is for illustrative purposes and does not imply the expression of any opinion on the part of the World Bank, concerning the legal status of any country or territory or concerning the delimitation of frontiers or boundaries. Country borders or names do not necessarily reflect the World Bank Group's official position. In some cases, available project location information is limited to the country of the project's activities. Locations are approximate.

Environmental & Social Review Summary

Project Number
44816

Company Name
ENEL GREEN POWER INDIA PRIVATE LIMITED

Date ESRS Disclosed
Apr 8, 2021

Country
India

Region
South Asia

Last Updated Date

Environmental Category
B

Status
Active

Previous Events
Approved : Jun 3, 2021
Signed: Dec 22, 2021
Invested: Mar 21, 2022

Sector
Solar - Renewable Energy Generation

Industry
Infrastructure

Department
Regional Industry - INF Asia & Pac

Project Description

The proposed project involves a debt investment in Thar Surya 1 Pvt. Ltd. ("Project Company") to finance the construction of a 300 MWac solar PV project in Bikaner, Rajasthan, India ("Project"). The Project is being developed by one of the step-down subsidiaries of Enel Green Power S.p.A., an existing global client of IFC. The Project was awarded to the Project Company in July 2020 by Solar Energy Corporation of India (SECI) and the Project will sell the generated electricity to SECI under a 25 year PPA. IFC is the mandated lead arranger for the entire debt portion. The total cost of the Project is estimated at c. US$ 200 million (including transaction costs). The total debt financing includes (a) IFC's own account investment of c. US$ 50 million in INR (b) c. US$ 100 million be mobilized by IFC through parallel lenders.

The Project Sponsor is Enel Green Po...er S.p.A. ("EGP") ...hich is one of the largest rene...able energ... ("RE")

The Project Sponsor is Enel Green Power S.p.A. ("EGP"), which is one of the largest renewable energy ("RE") developer in the world with 49 GW installed capacity across wind, solar, geothermal and hydropower projects, and with presence in 28 countries. EGP is a subsidiary of Enel S.p.A. ENEL is an existing IFC client (Wind Brazil #33579) and recent project supervision activities have confirmed that the project E&S performance is currently rated satisfactory. Siemens Gamesa Renewable Power Private Limited was appointed as Engineering, Procurement and Construction (EPC) contractor for the project in November 2020. The Operation and Maintenance (O&M) contractor is yet to be finalized.

The route for the external transmission line has been identified, however, as of February 2021 acquisition of the Right of Way (RoW) for the transmission line had not yet started. Initial construction activities are expected to start in March 2021, and commissioning is expected in December 2021. Timeline for completion of the transmission line is in September 2021. Due to the proximity of the site to several towns and cities, the project will primarily use existing access roads, and non-local workers are expected be housed in existing rental accommodations in the nearby towns.

Rajasthan is a low-income state in India's semi-arid northwest. The project area is composed of a mosaic of near-natural and modified habitats. The natural habitat is mainly shrubland-dominated desert dunes. The modified habitat includes patches of arable land and dispersed rural settlements. There are six villages within 5 km of the project area. The total population of these villages as per Census of India 2011 is 4,125. The nearest protected area, Jorbeer Bird Sanctuary, is located 30 km away. The arable lands support only rainfed cultivation, and the shrubland vegetation serve as fodder for local livestock. Non-farming livelihoods are increasingly common, especially among younger generations. There are three other solar power plants under planning or construction stage located within 10 km of the project boundary. One 250 MW plant is operational, a 600 MW plant is under construction and a third plant is too early in the planning stages to confirm generation capacity.

Overview of IFC's Scope of Review

IFC's environmental and social (E&S) review consisted of appraising technical, environmental, and social information submitted by Enel Green Power ("EGP"), and by IFC's E&S consultant (AECOM). This information includes the project's IFC E&S Performance Standards benchmarked Environmental and Social Impact Assessment (ESIA) report and associated E&S management plans, and the company's environmental and social (E&S) policies and procedures, including human resources policies. The ESIA is disclosed as part of the project documentation associated with this Environmental and Social Review Summary (ESRS).

IFC E&S team met virtually with EGP corporate and project teams for due diligence kick off on 23 December 2020, and on 25 and 27 January 2021 for virtual appraisal discussions. IFC E&S consultant visited the project site 28th to 30th December 2020 with a team of two Environment, Health, and Safety (EHS) professionals, one social specialist and one biodiversity specialist. This consultant met with EGP country and project managers, local officials, affected landowners, and other villagers.

Contextual risk screening did not identify any negative media or other critical reports related to the project or its environmental or social impacts. Broader national and sub-national contextual and reputational risk factors are being addressed where possible by EGP through relevant policies and procedures as described in the following sections of this ESRS.

E & S Project Categorization and Applicable Standard

Identified Applicable Performance Standards

While all Performance Standards are applicable to this investment, IFC's environmental and social due diligence indicates that the investment will have impacts which must be managed in a manner consistent with the following Performance Standards

PS 1 - Assessment and Management of Environmental and Social Risks and Impacts
PS 2 - Labor and Working Conditions

PS 3 - Resource Efficiency and Pollution Prevention
PS 4 - Community Health, Safety and Security
PS 5 - Land Acquisition and Involuntary Resettlement
PS 6 - Biodiversity Conservation and Sustainable Management of Living Natural Resources

PS7: Indigenous Peoples does not apply because there are no communities of Indigenous Peoples in the project area. The district (Bikaner) where the project is located is not a tribal area and does not have any significant presence of tribal communities. The same was confirmed by IFC E&S consultants through community consultations.

PS8: Cultural Heritage does not apply because there are no (i) tangible forms of cultural heritage; (ii) unique natural features or tangible objects that embody cultural values; or (iii) instances of intangible forms of culture found or proposed to be used in the project area. However, the project will develop a Chance Finds Procedure as part of its ESMS to address any encounter of archaeological / cultural artifacts.

Environmental and Social Categorization and Rationale

This is a Category B project according to IFC's Policy on Environmental and Social Sustainability due to the potentially limited adverse environmental and social (E&S) risks and impacts that are generally site-specific, largely reversible, and readily mitigated through implementation of good international industry practices. Most of these E&S impacts occur only during the brief construction period. For example: air quality and noise impacts, community safety impacts from the temporary influx of project vehicles and non-resident workers, occupational health and safety (OHS)

risks for workers, contractor management, resource efficiency, and waste management. During operations, the main risks and impacts are related to stakeholder engagement and biodiversity management – especially monitoring and mitigating potential soaring bird collisions with the transmission line.

**Information on IFC's Policy and Performance Standards on Environmental and Social Sustainability can be found at www.ifc.org/sustainability

Environmental and Social Mitigation Measures

Environmental and Social Mitigation Measures

IFC's appraisal considered the environmental and social management planning process and documentation for the Project and gaps, if any, between these and IFC's requirements. Where necessary, corrective measures, intended to close these gaps within a reasonable period of time, are summarized in the paragraphs that follow and (if applicable) in an agreed Environmental and Social Action Plan (ESAP). Through implementation of these measures, the Project is expected to be designed and operated in accordance with Performance Standards objectives.

PS 1: Assessment and Management of Environmental and Social Risks and Impacts

Enel S.p.A ("Enel"), owner of Enel Green Power, India (EGP India), is a global company specializing in the development, design, construction, and operation of power project including renewable energy (RE) projects and transmission and distribution networks. Enel commitments to effectively assess and sustainably manage the environmental and social risks and impacts of their operations are evident from the corporate policies, organizational capacity, and management systems and programs that they implement in their business activities. However, the Engineering Procurement and Construction (EPC) contractor (Siemens Gamesa) will be responsible for implementation of all E&S requirements at the project site. An Operation & Maintenance (O&M) contractor will then take over post commissioning. The remaining paragraphs in this section summarize how Enel use their Environmental and Social Management System (ESMS) to avoid, minimize, and/or mitigate the main project associated E&S assessment and management related risks and impacts.

Policies: Enel E&S policy commitments are reflected in the following five key documents: i) Health, Safety and Environment, Quality & Energy Policy (HSEQ Policy) ii) Code of Ethics, iii) Policy on Human Rights, iv) Zero Tolerance of Corruption Plan, and v) Enel Global Compliance Program. These policy instruments identify environmental management, social responsibility, and health and safety in the workplace as key corporate priorities. They also assign clear institutional responsibilities and are formally endorsed by their Board of Directors and senior

management. These commitments and responsibilities apply equally to all employees of Enel and its subsidiaries. Enel's contractors, suppliers and commercial partners are also required to comply. IFC considers these policies to be appropriate for the nature and scope of this project, and consistent with PS1. The contract between the project company and the EPC contractor says that the EPC will follow Enel's policies, and ensure that the sub-contractors engaged are also made responsible for policy compliance.

Identification of risks and impacts: As per the current Indian national and state regulatory frameworks, solar power generation through photovoltaic cells is exempt from Environmental Impact Assessment (EIA) notification, and therefore not required to obtain an environmental clearance (EC). Furthermore, as solar power is classified as a "White" industry, the project is not required to obtain either Consent to Establish or Consent to Operate. Despite not being required under India law, Enel's Environment Archaeology and Biodiversity (EAB) department are responsible for preliminary internal screening and recommendations for additional studies, as needed. For this project Enel contracted the Environmental and Social Impact Assessment (ESIA) disclosed with this ESRS. IFC considers this ESIA to be consistent with IFC E&S Performance Standards. EAB also evaluates the qualifications and performance of sub-contractors who produce these additional studies, for example Environmental and Social Impact Assessments (ESIA), Critical Habitat Assessments (CHA), etc.

Due to the proximity of three additional solar plants within 10 km of the project site, IFC also reviewed EGP's assessment of the project's likely cumulative E&S risks and impacts. Although these cumulative impacts from the combined effects of all four existing or planned solar projects are unlikely to be significant, this will be confirmed as part of ESAP#1. For example, water is scarce in the region, but the EGP project is planning to use water delivered by authorized tanker trucks during construction and use dry robotic cleaning during operations. Cumulative impacts on

access to land and agricultural livelihoods are also not significant, as poor soil conditions and unpredictable monsoon rains have left most people increasingly dependent on nonfarm livelihoods. Cumulative impacts on biodiversity from the new transmission line will be mitigated through management of animal carcasses in the landscape, the use of bird diverters to reduce risk of electrocution. Cumulative impacts are also expected to be positive. For example, local people have acquired many skills to work in construction and maintenance operations, and income revenues from employment in the local solar sector are financing investments in other commercial and productive activities.

Management programs: EGP has established an integrated management system (IMS) with various standard operating procedures (SOP) covering environmental, social and human resources issues. Enel corporate and its subsidiaries are certified to ISO 9001, ISO 14001 and OSHAS 18001 standards. Certifications for the Thar project site will be obtained post commissioning of the power plant. Key site level programs to be developed by the EPC and O&M contractors with Enel's support include: i) Stakeholder Engagement (ESAP#9), ii) Emergency Preparedness and Response (ESAP#2), iii) Grievance Mechanism for Workers (ESAP#3), iv) Worker Conditions and Terms of Employment (ESAP#4), v) Traffic Management (ESAP#5), vii) Livelihood Restoration (ESAP#6), and vii) Biodiversity (ESAP#7-8). Additional details about why these programs are needed and what they should include are provided in the applicable Performance Standard (PS) sections of this ESRS that follow.

Organizational capacity and competency: Enel assigns E&S responsibilities for each project across various departments at the global, country and project levels. For example, at the global level, the Sustainability department support Business Development, Engineering and Construction, and Operation and Maintenance departments through project level Social, Environmental, Economic Context Analysis (SEECA). EGP prepared a SEECA to inform the Creating Shared Value (CSV) vision for the project and developing a site-specific CSV plan, and Sustainable Construction Site Plan. Enel human resources related functions, including defining employee rights and obligations, performance evaluation, training, etc. are managed by the People and Organization department.

At the project site, E&S responsibilities are vested with the EGP Construction Site Manager, supported by the Site EGP Health, Safety, Environment, and Quality (HSEQ) Officer, as well as national and global Enel HSEQ and Sustainability staff. The on-site EGP HSEQ officer also supervises EPC and sub-contractor HSEQ teams.
The EPC contractor will appoint a HSEQ specialist who will report to the site manager of EGP. The site manager will in turn report back to the Project Manager at the corporate level. IFC considers EGP E&S capacity and competency to be appropriate for nature and scope of this project, and consistent with PS1.

Contractor management: Given the turnkey nature of the project, the project company will ensure that the EPC and O&M contractors develop all required site-specific management programs and plans to build and operate the project in a manner consistent with IFC E&S Performance Standards (PS) (ESAP#1). The contract between the project

company and the EPC contractor says that the EPC will follow EGP policies, and ensure that the sub-contractors engaged are also made responsible. In addition to this, the Health, Safety and Environmental Terms (the “HSE Terms”) which govern the parties (project company and EPC Contractor) obligations in connection with health, safety and environment matters has also been added to the contract. The HSE terms provide significant health, safety and environmental aspects that the contractor and subcontractors will address during their activity on behalf of EGP/project company and develop a suitable and sufficient HSE documentation, identifying the health, safety and environmental measures to be implemented during different project phases.

Emergency preparedness and response (EPR): EGP have an effective corporate EPR program for handling emergency situations like fires, serious accidents, earthquakes, etc. However, the guidance and response measures provided in this corporate program have not been sufficiently adapted to the Thar project context and location. For this reason, the project company will ensure that the EPC and O&M contractors develop site-specific EPR plans for construction and O&M phases (ESAP#2).

Monitoring and review: Different Enel departments and committees monitor and evaluate different elements of their business practices as part of a systematic approach to continuous improvement. For example, all contractors & subcontractors undergo Health, Safety, Environment, and Quality (HSEQ) evaluations & approvals before their onsite engagement. If they pass this evaluation, contractors are legally obliged to conduct daily inspections as required by the activities of the workplace to identify potential hazards, and to share this information with EGP onsite and compliance teams. EGP then performs monthly joint audits with checklists based on submitted information from the EPC to monitor contractor performance and ensure compliance. The contract between the project company and the EPC contractor requires the EPC to follow all EGP policies and programs, including monitoring and evaluation

measures. The Enel Control and Risks Committee also monitors implementation of the Code of Ethics by reviewing periodic reports prepared by the Head of the Audit Function and submitting any modifications or additions to the Code for the approval of the Enel Board of Directors.

PS 2: Labor and Working Conditions

Enel has many comprehensive labor and working conditions related policies and programs. These cover everything from workplace harassment and childcare support, to occupational health and safety and leadership training. IFC considers these policies to be appropriate for the nature and scope of this project, and broadly consistent with PS2. This section summarizes the key elements of EGP’s approach to managing the project labor and working conditions related risks and impacts. The contract between project company and the EPC contractor requires the EPC to follow all EGP policies and programs, including for labor and working conditions.

HR policies and procedures: As mentioned briefly above under organizational capacity, Enel human resources functions, including defining employee rights and obligations, performance evaluation, training, etc., are managed by the People and Organization (P&O) department. The P&O department at the national level works to ensure that Enel HR policies and procedures are understood and adopted at the project level. For example, Enel Code of Ethics requires that the conduct of all its subsidiary enterprises, as well as its primary suppliers, comply with the general principles of the Code. Enel policy on Human Rights is based on the United Nations Guidelines on Business and Human Rights. This policy also sets out the human rights commitments and responsibilities that apply to both employees of Enel and of its subsidiaries, and promotes respect for the policy among contractors, suppliers, and commercial partners in its business relations.

Working conditions and terms of employment: Enel personnel are hired with regular employment contracts. No forms of irregular employment are tolerated. At the time the employment relationship is established, each employee receives accurate information regarding the characteristics of the function and the tasks to be performed. Written contracts specify the rules of employment and salary considerations, as governed by national collective bargaining agreements, and regulations and procedures to be adopted to avoid possible health risks associated with his or her duties. In the unforeseen event that contractors decide to provide worker accommodations, these will be consistent with IFC worker accommodation guidelines (ESAP#4).

Workers’ organizations: Consultations with EGP site representatives indicated that there will be no restrictions on workers to form or join any trade union or similar organization. EGP management is also committed to collective bargaining approaches with workers to address matters of mutual concern.

Non-discrimination and equal opportunity: In decisions that influence relations with its stakeholders and personnel

Non-discrimination and equal opportunity: In decisions that influence relations with its stakeholders and personnel, selection and management of suppliers and partners, relations with the surrounding community and the institutions which represent it, Enel avoids all forms of discrimination based on age, gender, sexual preference, health, race, nationality, political opinions or religious beliefs. This position is stated clearly in the Enel Code of Ethics that also applies to EGP contractors and suppliers. Staff and contractors will receive training on Gender Based Violence (GBV), and the Grievance Mechanism will have the capacity to manage any such complaints.

Grievance mechanism: Peak construction workforce is expected to reach 400 staff and contractors. Much of this labor supply, especially for low and semi-skilled jobs, will be drawn from the surrounding villages and towns. EGP does not currently have a grievance mechanism for the project workers (and their organizations, should they exist) to raise workplace concerns. The project company will therefore ensure that the EPC and O&M contractors develop and implement grievance mechanisms for workers during the construction and O&M phases (ESAP#3). This mechanism will allow for anonymous complaints to be treated confidentially, provide timely feedback without retaliation, and be communicated and accessible to all workers, including those employed by subcontractors.

Protecting the work force: EGP have several measures in place to prohibit the engagement of child or forced labor at the project site. These include – review of workers identity documents at the entrance gate, frequent audits of the site for labor, ethics and human rights compliance, and contractual obligations for the EPC and O&M contractors to implement and report on their compliance with these policy and program commitments.

Occupational health and safety: EGP have a well-resourced integrated system for managing workplace health and safety. Core elements of this management system include continuous risk analysis, technological innovation, design and supervision of work process methodologies, and communications and training. Contractors are required to have

weekly Health, Safety and Environment (HSE) meetings with EGP HSEQ staff and subcontractors' HSE representatives. EGP reviews all contractor Safe Work Method Statements (SWMS) prior to authorizing the related actions to begin. HSE inductions are mandatory for all, including visitors. All HSE observation & incidents are digitized and reported through the HSEQ4U app.

EGP program to minimize workers risk of infection with Covid19 includes good practice mitigations like: formation of an onsite Covid19 task force, mandatory use of new Personal Protective Equipment (PPE), enhanced cleaning and disinfection standards, and ensuring social distancing in the workplace, transportation and accommodation settings, among others.

PS 3: Resource Efficiency and Pollution Prevention

The Environmental and Social Impact Assessment (ESIA) for the Thar solar project found that it is expected to produce limited amounts of emissions and wastes, primarily during the brief construction period. Temporary impacts on air quality are primarily linked to site preparation activities and vehicle movements. Mitigation measures proposed in the ESIA to minimize these impacts include avoiding disturbing vegetation, covered transportation of construction material, water spraying, and management of pollution from vehicles and equipment. During construction, major noise sources will include operation of cranes, excavation, movement of construction machinery, operation of generator sets and vehicle movements. Incremental noise level increases during construction will be temporary and limited to the vicinity of the noise generating source, except in case of movement of material through/near residential areas or other sensitive receptors.

The ESIA also identified efficient use of water, a scarce resource in the region, to be a key priority. EGP have a detailed Waste Management Plan that will minimize risks and impacts to human health and the environment. EGP/project company will adopt sustainable measures to reduce onsite water consumption as discussed in section below. The EPC contractor will be responsible for implementing these measures during construction. Further monitoring of air, noise, water and wastewater, soil, etc. will be undertaken during construction to verify these impacts. The plant is expected to generate 793 GWh annually which is estimated to result in avoidance of Greenhouse Gas (GHG) emissions of approximately 753733 tonsof CO2 equivalent annually. IFC considers these plans and measures to be appropriate for nature and scope of this project, and consistent with PS3. This section summarizes the key elements of EGP's approach to water consumption and waste management.

Water Consumption: Groundwater will not be used for any project activity. Water required for civil works and domestic purposes will be supplied through authorized water tankers. The source of this water is expected to be from the nearest Indira Gandhi Canal tributary. EGP will audit water providers authorizations. Generated wastewater will be

recycled and reused. During operation, the use of dry panel-cleaning robots will significantly reduce water consumption.

Waste and Wastewater management: Project construction activities such as site clearance, excavation works, installation of modules, etc. will generate limited types of solid and hazardous wastes. For example: domestic waste and sewage, hazardous waste such as used oil from machinery, scrap metal, etc. According to the project Waste Management Plan, solid waste will be segregated and stored onsite in color coded bins. Waste recycling will be mandatory, and appropriate trainings will be provided. Storage areas will have appropriate labelling and secondary containment. These will also be inspected frequently. Hazardous waste will be collected and disposed through approved vendors. Broken solar panel will be returned to the supplier. Associated records for generation and disposal of hazardous waste will be maintained onsite. The main source of wastewater generated during construction will be domestic wastewater from the toilets and wash basins. Septic tanks will be used to manage discharge of wastewater.

PS 4: Community Health, Safety and Security

Given the manageable size of the total peak construction workforce (i.e. 400), the fact that a significant percentage of project labor requirements will be sourced locally, and the relative proximity with the city of Bikaner, IFC does not expect that the area will experience any significant project-related population influx or associated social impacts. Project risks and impacts on public health, safety, and security – primarily among the six villages located within a 5 km radius - are expected to be limited, short-lived, and easily mitigated through standard good international industry practices. For example, dust emissions during construction will be controlled by limiting vehicle speeds and using upgraded access roads. Safety risks associated with construction of the 10 km transmission line will be avoided by sensitizing nearby communities to the risks and controlling access to active construction sites. One of the most prominent risks is from the simultaneous use of local access roads by both villagers and project construction workers. Apart from traffic management, IFC considers these plans and measures to be appropriate for the nature and scope of this project, and consistent with PS4. This section summarizes the key elements of EGP's approach to infrastructure design and safety, community exposure to disease, and security personnel.

Infrastructure and Equipment Design and Safety: The main community safety risk during project construction is associated with road safety, including the transport of components and heavy equipment to the site. The project company will ensure that EPC and O&M contractors develop Traffic Management Plans for the construction and O&M phases (ESAP#5). These plans should be based on detailed route assessments to identify and map locations with potential community risks, and specify where to install signals, deploy flagmen or adopt other measures to track project vehicle movements and ensure speed control. Additional awareness of road safety measures should be promoted amongst the local community. Construction and operation of the transmission line could also present a risk of electrocution or serious injury. Appropriate hazard signs will be installed along the route and at substations. The EPC will implement a community awareness campaign focused on risks of electrical origin or other risks that may be generated by the presence of the line.

Security Personnel: The EPC contractor will hire security personnel from the surrounding villages. Security personnel will be trained to support implementation of the project's environment, health, and safety measures. These personnel will not be provided with firearms.

PS 5: Land Acquisition and Involuntary Resettlement

This Performance Standard does not apply to voluntary land transactions, i.e., market transactions in which the seller / lesser is not obliged to sell or lease, and where the buyer / lessee cannot resort to expropriation or other compulsory procedures to acquire the land if voluntary negotiations with landowners fail. This is the case for how EGP has acquired leases for access to most of the land required for the project. However, PS5 does apply to land transactions for acquisition of the 35 meter wide Right of Way (ROW) for about 10Kms of transmission line, as failure to reach voluntary agreements with affected landowners is expected to result in compulsory judicial procedures for imposition of the ROW easements.

As of March 2021, EGP had signed voluntary lease agreements with over 90+ private landowners for a total of 1437 acres, or 98% of total project needs. Leasing of the ~21 acres of revenue land in the name of Project SPV is expected to be completed very soon. Consultations with landowners and representatives from the local government office (Tehsil) confirmed that the project does not involve any physical displacement, and that the annual lease amount [illegible]

landowners receive is significantly higher than the average annual farm yield obtained from the same land. Site visits by IFC E&S consultants identified some limited grazing of goats, sheep, and cows on some of these lands. Interviews with grazers and local landowners confirmed however that grazers do not have any legal or customary rights to use these lands, and that they do not depend on access to these lands for their livelihoods. EGP plans to support local herders through their Creating Shared Value (CSV) approach to social investments that includes food and water distributions for animals and vaccination campaigns. For more on EGP CSV approach, see the section below on Stakeholder Engagement.

The 220-kVA external overhead extra high voltage transmission line will require 53 support towers and will be approximately 10 kms long. The preferred alignment for the transmission line passes through what are known to be private, mostly barren lands. No structures including residential dwellings were observed or reported within the ROW for the transmission line. The EPC contractor will be responsible for obtaining access to the ROW from private landowners. Guidelines issued by the Ministry of Power (MoP), Government of India (GoI) in October 2015 for payment of compensation to landowners will be used for this purpose. These guidelines specify that compensation for land use restrictions between the base of the towers will be paid at 85% of land value, whereas owners of ROW areas under the transmission cables will receive 15% of their affected land values. If the EPC contractor is unable to obtain negotiated agreements with all affected landowners, state and national -level power transmission regulations allow for recourse to compulsory judicial procedures for imposition of the ROW. To ensure that the ROW land use restrictions do not cause any loss of livelihood options or income, the project company will ensure that the EPC contractor implements a Livelihood Restoration Plan to compensate affected persons consistent with PS5 (ESAP#6).

PS 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources

The project is located in the Thar Desert landscape which covers the majority of the Indian State of Rajasthan. The landscape consists of sandhills, grasslands and scrublands and plays host to desert dwelling fauna, including soaring birds. Near settlements, the desert landscape has been extensively modified by humans for grazing and seasonal cropping. The habitat at the project site is a mosaic of modified and natural habitats, consisting of barren ground, grasslands and seasonal agricultural fields. The project will result in the loss of a small amount of natural habitat for the solar array and along the transmission line route right of way.

The nearest Protected Area (PA) and internationally recognized area (IRA) to the Project are the Jor Beer Bird Sanctuary which is an Important Bird Area (IBA) and the Gajner Bird Sanctuary. Both sites are located to the south east of the Project at a distance of approximately 40km and 35km respectively. The IBA has been designated due to populations of IUCN listed Critically Endangered (CR) and Endangered (EN) soaring birds, including vultures and eagles.

Several biological surveys were completed in late 2020 and early 2021, focusing on soaring and migratory birds that are of concern due to potential collision with the transmission line. Other surveys were also completed for herpetofauna, mammals and flora. The results identified two species of IUCN EN listed bird species, being the Egyptian Vulture (Neophron percnopterus) and Steppe Eagle (Aquila nipalensis) and one IUCN Vulnerable (VU) listed species, the Eastern Imperial Eagle (Aquila heliaca). Other migratory bird species were also detected, including Cinerous Vulture (Aegypius monachus) (IUCN Least Concern) and Eurasian Griffon (Gyps fulvus) (IUCN Near Threatened). Given the presence of potential critical habitat species, a critical habitat assessment was completed, however no critical habitat values for these species were identified. To ensure survey coverage completeness and assist in defining baseline values for ongoing monitoring, an additional survey has been recommended to occur in March 2021 (ESAP#7).

The assessment of impacts according to the mitigation hierarchy identified that mortality of birds due to collision with the transmission line wires was a potential risk to local soaring bird populations. To manage these risks, the project will use bird diverters to improve visualization of the strung wires to soaring birds. The project will also be required to work with the community to manage carcasses within the landscape, so that they are moved away from the transmission line to reduce potential collision risks, particularly for vultures and eagles. Other impacts considered included construction related impacts to resident fauna. To mitigate these impacts, demarcating the project area to stop clearing outside of the project footprint and education of the workforce to reduce risks will be applied. Management of invasive alien species will also occur to reduce risks of transmission into any areas of natural habitat.

Considering cumulative impacts to biodiversity values, there are two existing and one planned solar park and transmission lines in the area. Cumulative impacts to local bird populations is possible, however this is likely to be a

transmission lines in the area. Cumulative impacts to local bird populations is possible, however this is likely to be a low risk. This conclusion about the limited significance of cumulative risks will be confirmed as part of the actions required for ESAP#1. Coordination of monitoring activities to determine cumulative impacts is recommended. To monitor and respond to potential ongoing risks during operation of the facility, the project will be required to prepare a Biodiversity Management Plan, that will include a Carcass Management Strategy, Fatality Monitoring Program and a Soaring Bird Adaptive Management Plan [ESAP#8]. The plan will be prepared at least one month prior to operations. The Plan will be required to outline detailed measures to manage risks to soaring birds, including measures to respond to any mortality events detected through operational monitoring by adapting mitigations utilized by the project, if required.

PS 7: Indigenous People

PS 8: Cultural Heritage

Stakeholder Engagement

Stakeholder Engagement

At the corporate level, Enel manages stakeholder engagement activities as part of their Creating Shared Value (CSV) goal of embedding sustainability into business processes, company strategy, and enhancing competitive advantage

through a shared perspective that aligns company objectives with stakeholders' priorities. Enel also communicates the principles of their Code of Ethics and Human Rights Policy to all project stakeholders. The CSV plan is the result of specific analysis carried out proactively through specific CSV tools and allows Enel to get a detailed understanding of the context, identifying key priorities, risks, impacts, and key stakeholders related to the project. The CSV plan helps to correlate stakeholder priorities with company goals to identify action plans that support long-term relationships with stakeholders based on shared value commitments. In addition, Enel prepares an annual Sustainability Report, that highlights their core economic, social, and environmental performance. At the project level, EGP HSEQ staff regularly inform stakeholders about implementation progress through a CSV Construction Site Panel.

EGP began to engage with local landowners during the land lease negotiation process initiated in January 2019. It was not until 2020, however, when EGP hired E&S consulting firm ERM to complete the project ESIA that they began to identify and consult with a broader range of stakeholders. These included women, members of scheduled castes, herders and laborers, government officials and regulators, biodiversity experts, and Civil Society Organizations (CSO), among others. Key feedback received during these consultations confirmed that the overall perception of the project is positive. Local communities expect to benefit not only from new job opportunities, but also from infrastructure and service improvements, especially medical services. Other priorities identified for inclusion in the CSV plan include water conservation, animal husbandry,

As the Engineering Procurement and Construction (EPC) contractor (Siemens Gamesa) will be directly responsible for implementing all E&S requirements at the project site level, the project company will need to ensure that EPC and eventually O&M contractors develop site-specific Stakeholder Engagement Plans (SEP) for construction and O&M phases (ESAP # 9). These SEPs should build on EGP CSV Plans, explain contractor roles and responsibilities, include an external Grievance Redress Mechanism, and include monitoring and review processes.

IFC supports its clients in addressing environmental and social issues arising from their business activities by requiring its real sector clients to set up and administer appropriate grievance mechanisms and/or procedures to address complaints from Affected Communities in relation to environmental and social issues arising from IFC's clients' business activities. Since 2012, IFC's Financial Intermediary clients applying the Performance Standards are required to develop External Communications Mechanisms to receive and review inquiries or complaints from any interested party regarding the E&S risks and impacts of their operations.

In addition, Affected Communities have unrestricted access to the Compliance Advisor Ombudsman (CAO), the independent accountability mechanism for IFC. The CAO is mandated to address complaints from people affected by IFC-supported business activities in a manner that is fair, objective, and constructive, with the goal of improving environmental and social project outcomes and fostering greater public accountability of IFC.

Independent of IFC management and reporting directly to the World Bank Group President, the CAO works to resolve complaints using a flexible, problem-solving approach through its dispute resolution arm and oversees project-level

audits of IFC's environmental and social performance through its compliance arm.

Complaints may relate to any aspect of IFC-supported business activities that is within the mandate of the CAO. They can be made by any individual, group, community, entity, or other party affected or likely to be affected by the environmental or social impacts of an IFC-financed business activity. Complaints can be submitted to the CAO in writing to the address below:

Compliance Advisor Ombudsman
International Finance Corporation
2121 Pennsylvania Avenue NW
Room F10K-242
Washington, DC 20433 USA
Tel: 1 202 458 1973
Fax: 1 202 522 7400
E-mail: cao@worldbankgroup.org

The CAO receives and addresses complaints in accordance with the criteria set out in its Operational Guidelines which are available at: www.cao-ombudsman.org

Broad Community Support

IFC's Determination of BCS

Broad Community Support is not applicable for this project.

Environmental & Social Action Plan

Environmental & Social Action Plan

EGP India - Thar(44816) Appraisal Disclosure Snapshot – Version 3	
Description	**Anticipated Completion Date**
Prior to first disbursement, Borrower to ensure that EPC contractor develops required site-specific capacity and plans for effective ESMS implementation. O&M contractor will be required to do the same prior to start of operations. Contractors are required to establish, maintain, and strengthen organizational structure to define roles and responsibilities to implement applicable E&S policies and plans, including labor and working conditions, occupational health and safety, and cumulative impact mitigations, among others. Ensure adequate management commitment, human and financial resources, and training to achieve effective and continuous environmental and social performance outcomes consistent with IFC PSs.	15-Jul-2021
Prior to first disbursement, Borrower to ensure that EPC contractor develops and implements a site-specific EPR plan for construction phase. O&M contractor will be required to do the same prior to start of operations. These plans should document EPR activities, resources, and responsibilities, and provide appropriate information to potentially affected communities and to relevant government agencies.	15-Jul-2021
Prior to first disbursement, Borrower will ensure that the EPC contractor develops and implements a grievance mechanism for workers during the construction phase. O&M contractor will be required to do the same prior to start of operations. Inform workers of the grievance mechanism at the time of recruitment and make it easily accessible to all employees. The mechanism will allow for anonymous complaints to be submitted and will provide timely feedback without any retribution.	15-Jul-2021

Description	Anticipated Completion Date
Prior to first disbursement, Borrower will ensure that worker accommodation camps, if needed, will be developed in line with IFC worker accommodation guidelines. If such camps are developed, implementation of IFC worker accommodation guidelines will be confirmed via an independent audit by a qualified consultant to be carried out at the outset of construction and during the peak construction period.	15-Jul-2021
Prior to first disbursement, Borrower to ensure that EPC contractor develops and implements a Traffic Management Plan for the construction phase. O&M contractor will be required to do the same prior to start of operations. These plans will include detailed route assessments to identify locations with potential community risks and an implementation plan specifying where to install signals, deploy flagmen or adopt other measures to track project vehicle movements and ensure speed control.	15-Jul-2021
Prior to first disbursement, Borrower along with EPC contractor to develop a Livelihood Restoration Plan (LRP) to ensure that the transmission line and ROW land use restrictions do not cause any loss of livelihood or income among affected landowners and land users, to be implemented in the unlikely scenario of any economic displacement resulting from acquisition of the land rights for the ROW and tower sites.	15-Jul-2021
Supplemental migratory bird survey: Prior to first disbursement the Borrower will conduct a survey for conservation significant soaring birds along the transmission line route in March 2021 to coincide with known migration periods for Cinerous Vulture and Eurasian Griffon. The survey is to consist of vantage points located near to potential areas of congregation covering all active periods of the day. The survey is to consist of a minimum of 7 days survey effort. The report is to be submitted for review by the IFC within 2 weeks of completion of the survey.	15-Jul-2021
Preparation of a Biodiversity Management Plan (BMP): Prior to disbursement, the Borrower will prepare and review on a 5 yearly basis a plan that incorporates requirements for the management of invasive alien species, management of construction risks as well as education programs for workers and the community. An annual report on the implementation of the BMP is to be included in the ESMP reporting process to the IFC. The BMP will also include additional plans as outlined earlier, including a Carcass Management Strategy, Fatality Monitoring Program, and a Bird Adaptive Management Plan. The BMP and associated plans are to be prepared at least one month prior to operation	15-Jun-2021
Prior to first disbursement, Borrower to ensure that EPC contractor develops a site-specific Stakeholder Engagement Plan (SEP) for construction the construction phase. O&M contractor will be required to do the same prior to start of operations. The Stakeholder Engagement Plan should identify all stakeholders, map them according to their interest and influence, plan to engage them regularly, explain communications methods to be used, document meetings conducted, include a Grievance Redress Mechanism, and include monitoring and review of the process.	15-Jul-2021

Related SII

Summary of Investment Information (SII)

Client Documentation

No related documents.