

# Environment and Social Safeguards Monitoring Report

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March 2018  
Environment and Social Safeguards Audit Sheets 2016

## INDIA: Accelerating Infrastructure Investment Facility in India




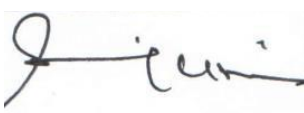
Prepared by India Infrastructure Finance Company Limited for the India Infrastructure Finance Company Limited and the Asian Development Bank

This environment and social safeguards monitoring report is a document of the borrower. The views expressed herein do not necessarily represent those of ADB's Board of Directors, Management, or staff, and may be preliminary in nature.

In preparing any country program or strategy, financing any project, or by making any designation of or reference to a particular territory or geographic area in this document, the Asian Development Bank does not intend to make any judgments as to the legal or other status of any territory or area.

**ANNEX E-17: PERIODIC ENVIRONMENTAL AND SOCIAL PERFORMANCE REPORT FOR  
SUBPROJECTS APPROVED UNDER ADB'S LINE OF CREDIT, AIIFI (PFR-1)**

Please provide responses to the questions below. Please include additional sheets or attachments as required to provide details on questions that have been answered Yes. IIFCL is required to submit the periodic performance report to DFIs (see footnote below)<sup>1</sup>. This format is only for guidance and could be improved.

<b>Name of Organization</b>	India Infrastructure Finance Company Limited (IIFCL)	
<b>Name of Sub-project</b>	Four Laning of Chattisgarh/ Orissa Border – Aurang Section-from km 88.000 to km 239.000 of NH- 6 (53) in the State Chattisgarh to be executed as BOT (Toll) on Design, Built, Operate and Transfer (DBFOT) basis.	
<b>Name of Sub-project Developer</b>	BSCPL Aurang Tollways Ltd.	
<b>Reporting Period</b>	From January 2016 to January -2017	
<b>Audit Activity</b>	<b>Name &amp; Designation</b>	<b>Signature</b>
Prepared by	Mr. Krupasindhu Guru Assistant General Manager (Social Safeguard Specialist)	
	Dr. Rashmi Kadian Assistant General Manager (Environment Specialist)	
Reviewed By	Dr S. S. Garg General Manager & Head, ESMU	
Approved by & Senior Staff with overall responsibility for ESMS implementation	Mr. Sanjeev Ghai Chief General Manager	

**A. Environmental and Social Management System (ESMS)**

	<b>Policies &amp; Processes</b>	<b>Yes/No</b>	
1.	Has your organization developed and implemented an ESMS?	Yes	ESSF was adopted by IIFCL in October 2008 which was subsequently revised in November, 2010 and July 2013 and Addendum to the ESSF for World Bank financed projects was issued in year 2014. The latest revised ESSF of February 2016 is available on IIFCL's website ( <a href="http://www.iifcl.org/WriteReadData/userfiles/file/Final%20ESSF.pdf">http://www.iifcl.org/WriteReadData/userfiles/file/Final%20ESSF.pdf</a> )  (If yes, please attach a copy of the ESMS to this report. Please indicate the date that the ESMS was established.)
2.	If there is an ESMS already in place, have there been any updates to the ESMS or policy and procedures adopted by your organization during the reporting period?	No	Based on ESMU's operational experience & current practices, ESSF has been further revised which is in alignment with Govt. of India Guidelines/Regulations. During February 2016, Latest revised ESSF was approved by IIFCL Board which has been further shared with DFI's during May 2016. Weblink for the same is given above.

<sup>1</sup> Reporting requirements outlined here pertained to ADB. Other DFIs also have similar requirements.

			(If yes, please provide a copy of the updates including dates and reasons for the same.)																									
3.	Has senior management signed off on the updated policy/ procedure?	Yes	<p>The ESSF 2016 has been approved by IIFCL Board on 23<sup>rd</sup> February 2016.</p> <p>(If yes, please provide the date and internal communication indicating the same.)</p>																									
4.	Has your organization appointed staff tasked to implement the ESMS?	Yes	<p>Environmental and Social Safeguards Management Unit (ESMU) has been set up at IIFCL in 2010 to fulfil the environmental &amp; social safeguard commitments based on ESSF guidelines.</p> <p>The ESMU is headed/ coordinated by a qualified full-time staff of IIFCL and currently two full-time environmental safeguards specialists and one full-time social safeguards specialist are engaged, headed by head ESMU in the rank of General Manager. The details of the ESMU team as on January 2017 are given below:</p> <table><tr><th>Sl. No</th><th>Name of Employee</th><th>Designation</th><th>Qualification</th><th>Experience in relevant field</th></tr><tr><td>1.</td><td>Dr. S. S. Garg</td><td>General Manager (GM) &amp; Head</td><td>Doctorate in Environmental Sciences, Diploma in Industrial Safety, Lead Auditor for ISO 14001 and OHSAS18001</td><td>22 yrs</td></tr><tr><td>2.</td><td>Dr. Ruchi Malik</td><td>Assistant General Manager (AGM)- Environment Specialist</td><td>Doctorate in Environmental Sciences</td><td>15 yrs</td></tr><tr><td>3.</td><td>Dr. Rashmi Kadian</td><td>Assistant General Manager (AGM)- Environment Specialist</td><td>Doctorate in Environmental Sciences</td><td>14 yrs</td></tr><tr><td>4.</td><td>Mr. Krupasin dhu Guru</td><td>Assistant General Manager (AGM)- Social Specialist</td><td>Masters in Economics, Masters in Journalism, and LLB</td><td>15 yrs</td></tr></table> <p>(IF yes, please provide information on number of staff and qualification (experience and education background) to implement the ESMS.)</p>	Sl. No	Name of Employee	Designation	Qualification	Experience in relevant field	1.	Dr. S. S. Garg	General Manager (GM) & Head	Doctorate in Environmental Sciences, Diploma in Industrial Safety, Lead Auditor for ISO 14001 and OHSAS18001	22 yrs	2.	Dr. Ruchi Malik	Assistant General Manager (AGM)- Environment Specialist	Doctorate in Environmental Sciences	15 yrs	3.	Dr. Rashmi Kadian	Assistant General Manager (AGM)- Environment Specialist	Doctorate in Environmental Sciences	14 yrs	4.	Mr. Krupasin dhu Guru	Assistant General Manager (AGM)- Social Specialist	Masters in Economics, Masters in Journalism, and LLB	15 yrs
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5.	Please give details of any transactions rejected due to environmental and/or social concerns.	Yes	<p>During the reporting period (January 2016 – January 2017) one transaction i.e. GVK Bagodara Vasad Expressway Private Limited was replaced due to environmental concerns.</p>																									

			The validity of environmental clearance has expired. As the sub-project did not possess a valid EC, it was found to be non-compliant and recommended for removal from approved list of sub-projects and replaced by a compliant sub-project.
6.	Please state any difficulties and/or constraints related to the implementation of the ESMS.		<p>One of the pre requisites for getting funding (multilateral/bilateral financial institutions like World Bank, Asian Development Bank, and European Investment Bank) under line of credit is the evaluation of the subprojects on environmental and social issues. The ESSF of IIFCL provides an enabling mechanism to IIFCL to meet environmental and social safeguard requirements associated with sub-projects.</p> <p>As per the mandate, IIFCL finances upto 20% of project, thus, IIFCL is a minor partner in the consortium. IIFCL follows the ESSF, whereas the other lending partners do not have such safeguard framework.</p> <p>The environmental and social safeguard requirement of any infrastructure project requires screening of vast quantum of data / information / statutory approvals / permits / periodic compliance monitoring reports etc. as per National safeguards requirements. Extracting this information from the developer is a time consuming process and is a challenging task.</p> <p>IIFCL monitors the project through Lender's Engineer Report, site visits and E&amp;S information sought from the concessionaire periodically.</p>
7.	Please describe how you ensure that your clients and their investments are operated in compliance with the national laws and regulations and applicable DFI's safeguard requirements.		<p>In the Common Loan Agreement for each project funded by IIFCL, certain covenants are always put up reflecting concessionaire's liability to comply with applicable laws of land as required for project implementation.</p> <p>The safeguard compliance status of the project is examined during the due diligence study of the project. After the approval of the project by the DFIs, ESMU conducts annual audit of the projects to review whether the projects are operated in compliance with the applicable laws and regulations.</p> <p>To ensure compliance with DFIs safeguards requirements reports on implementation of EMP, reports on monitoring of environmental parameters, status of safety management, LIE reports and six monthly compliance reports are generally shared by developer with IIFCL. The borrowers also engage safety officers/engineers to look after the safety, health and environment related aspects.</p>
8.	Please give details of any material social and environmental issues associated with clients during the reporting period in particular.		The environmental and social safeguard requirement of any infrastructure project requires screening of vast quantum of data / information / statutory approvals / permits / periodic compliance monitoring reports etc. as per National safeguards requirements. Extracting this information from the developer is a time consuming process and is a challenging task.

			IIFCL monitors the project through Lender's Engineer Report, site visits and E&S information sought from the concessionaire periodically. No such social issues are associated with the subproject during the reporting period.
9.	In case the existing ESMS is not fully functional, what are the action plan being implemented by your organization?		Presently, existing ESMU is functional.  (Please provide information or cite recommendation made by DFI's review mission to improve the ESMS and its implementation.)
	<b>Capacity</b>	<b>Yes/No</b>	
10.	Please provide the name and contact information of the senior staff who has the overall responsibility for the implementation of ESMS.	Yes	Mr Sanjeev Ghai, Chief General Manager has the overall responsibility for the implementation of ESSF. His contact information are provided below:  Telephone : +91 11 23450263, 23450261 (Direct); Email : <a href="mailto:sanjeevghai@iifcl.org">sanjeevghai@iifcl.org</a>  (Please describe the training or learning activities the Environmental/Social Officer or Coordinator attended during the year.)
11.	Please provide current staffing of other core ESMS persons in the organization involved with ESMS implementation.	Yes	Please refer Section A, point no. 4 for details of ESMU persons of IIFCL.  Please find attached details of Training programmes attended by ESMS Staff during reporting period of January 2016 to January 2017 as <b>Annexure-I</b> .  (Please describe the training provided to the ESMS persons and other team members during the year.)
12.	What was the budget allocated to the ESMS and its implementation during the year?	Yes	ESMU is the core team of IIFCL and requisite budgetary provision is a part of IIFCL's budget.  (Please provide budget details including staff costs and training as well as any actual costs.)
	<b>Monitoring</b>		
13.	Do you receive environmental and social monitoring reports from Lead Banks/Borrowers?	Yes	The project is monitored through Lenders Engineer's reporting. The Lender's Independent Engineer is appointed by the Lead Bank of the Lender's Consortium to monitor the physical, financial progress and the compliance of various regulatory requirements. Periodic LIE reports are provided by the Lead Bank to the IIFCL. The LIE reports generally cover areas related to statutory approval status, forest diversion, tree cutting status, safety management, land acquisition status, utility shifting and pending litigation etc.  From Borrowers, IIFCL receives reports on implementation of EMP, reports on monitoring of environmental parameters, status of safety management and six monthly compliance reports, etc.  (If yes, please describe and provide supporting documents including any social and environmental considerations if applicable.)
14.	Do you check for ongoing compliance of your clients with national regulation and any other requirements?	Yes	During the environmental and social due diligence study and subsequent audit, the compliance of the project with the applicable regulation is checked with available documentation. The site visit is carried out by ESMU for field verification.  (If yes, please describe the process including any social and environmental considerations if applicable.)
15.	Please describe how you		All the subprojects are invariably visited at the time of

	monitor the clients and their investments' social and environmental performance.		<p>ESDDR preparation. Further Audit purposes, it was discussed that only a percentage of such projects would be visited if there are any pending safeguards issues. Therefore for audit purpose only limited projects were visited.</p> <p>The social and environmental performances are checked during the preparation of Environmental and Social Due Diligence Report and annual audit. Each approved project is evaluated for its environmental and social safeguard compliance performance against the applicable safeguard requirements at the time of annual audit. The compliance status is also assessed through the LE report which covers the statutory approval status, forest diversion, tree cutting status, safety management, land acquisition, shifting of common property resources status and pending litigation etc; reports on implementation of EMP, reports on monitoring of environmental parameters, status of safety management, six monthly compliance reports and through site visits.</p> <p>Out of the 16 sub-projects approved under AIIFI Line of credit, site visits were conducted for three sub-projects in the year 2016 and two projects were visited at the end of 2015 for the purpose of ESDDR preparation. Three sub-projects undergoing construction phase, were also visited in the year 2016 for annual audit purpose. Projects which achieved COD during reporting period &amp; approved under Takeout Finance scheme by ADB, were not considered necessary for site visit as there were no pending or critical issues are found. For such cases, safeguards audit reports have been prepared based on review of safeguards compliance information/records related to project and discussions with project developer team.</p> <p>(Please describe and provide supporting documents such as environmental and social monitoring reports and please provide information on the number of subprojects where a field visit was conducted by staff to review aspects including social and environmental issues.)</p>
16.	<p>Please provide details of any accidents/litigation/complaints /regulatory notices and fines:</p> <ul style="list-style-type: none"> <li>- Any incidents of non-compliance with the applicable Environmental and Social Requirements</li> <li>- Covenants/conditionalities imposed by IIFCL to the client as a result of any non-compliance</li> </ul>		The project specific details are provided in Section 'C'.
	<b>Reporting</b>		
17.	Is there an internal process to report on social and environmental issues to Senior management?	Yes	<p>The ESDDR (one time document) and Audit sheets are approved by the Senior Management.</p> <p>The ESDDR is a detailed report on environmental as well as social safeguards and annual audit sheet is reported in the present format.</p>

			(If yes, please explain the process, reporting format and frequency and actions taken if any.)
18	Do you prepare any social and environmental reports: <ul style="list-style-type: none"> <li>- For other multilateral agencies</li> <li>- Other stakeholders</li> <li>- E&amp;S reporting in the Annual Report</li> <li>- Sustainability reports</li> </ul>	Yes	<p>ESMU prepares Environment and Social Due Diligence report for the projects which are posed to other DFIs to draw down, under their line of credit. IIFCL's annual report also reports on the ESSF since the year 2008-09 and ESMU since its inception in the year 2009-10.</p> <p>The Annual Reports are uploaded on IIFCL website and weblink for the same is <a href="http://www.iifcl.org/Content/report.aspx?mid=17&amp;bid=2&amp;cid=1">http://www.iifcl.org/Content/report.aspx?mid=17&amp;bid=2&amp;cid=1</a></p> <p>(If yes, please provide copies of these reports.)</p>

B. Activities on DFI's Prohibited Investment Activities List		
1.	If any, please indicate the dollar percentage of loans or investments out of your total outstanding exposure provided to clients who are substantially involved in DFI's Prohibited Investment Activities List (Refer to SPS Annexure V).	Not applicable, since, IIFCL does not involve in the prohibited investment activities.
2.	If the percentage is not zero, please explain these exposures and any steps having been taken to reduce such exposure.	Not applicable

### C. Subprojects Using DFI Funds

Please provide information about all new investments using DFI funds approved during this reporting period.

1.	Name of Sub-project:	<p>Sub-project Developer: <b>BSCPL Aurang Tollways Ltd.</b></p> <p>Sub-project: Four Laning of Chattisgarh/ Orissa Border – Aurang Section-from km 88.000 to km 239.000 of NH- 6 (53) in the State Chattisgarh to be executed as BOT (Toll) on Design, Built, Operate and Transfer (DBFOT) basis.</p>
2.	Location:	Chattisgarh/ Orissa Border – Aurang Section from km 88.000 to km 239.000 of NH- 6 (53) in the State Chattisgarh.
3.	Sector:	Highways and Roads
4.	Total loan from IIFCL/DFI (US\$ MN):	26.22 US \$ MN
5.	Safeguard category: (Annex E-3)	<p>Environment Category: B</p> <p>No Indigenous People are involved in this project</p> <p>No Rehabilitation and resettlement are involved in this project.</p>
6.	Were any environmental and social due diligence undertaken by your organization?	Environmental & Social Due-Diligence for BSCPL Aurang Tollways Pvt. Ltd. was undertaken by ESMU for which desk review of safeguard related documents was carried out along with facts verification done during site visit conducted on 6 <sup>th</sup> – 7 <sup>th</sup> August, 2013 by ESMU team.

		<p>Review of safeguard related information was done for the period January – December 2015 for annual audit purpose.</p> <p>Site visit was also conducted for safeguards compliance check by ESMU, IIFCL during 13<sup>th</sup>-14<sup>th</sup> April, 2015.</p> <p>Review of safeguard related information was done for the period January 2016 – January 2017 for annual audit purpose.</p> <p>(If yes, provide information on due diligence activities, such as desk review of safeguard documents, and field visit, and by whom.)</p>
7.	Any environmental assessment report (including environmental management plan), involuntary resettlement plan, or indigenous peoples plan, or audit reports reviewed by your organization?	<p><b><u>Environmental Safeguard:</u></b></p> <p>The Environmental Safeguard Due-Diligence study was carried out for the sub-project on the basis of site visit observations and understanding project scope based on information and documents provided by the Concessionaire.</p> <p><b><u>Environmental Safeguard:</u></b></p> <p>The following documents were referred/reviewed in order to prepare Environmental Safeguards Due-Diligence Report:</p> <ul style="list-style-type: none"> <li>• Environmental Impact Assessment Report;</li> <li>• Environmental Management Plan &amp; its implementation;</li> <li>• Project Statutory clearances/consent/ approvals and permits;</li> <li>• Feasibility Report;</li> <li>• Project HSE Documents;</li> <li>• Concession Agreement;</li> <li>• RoW hand over letter from NHAI;</li> <li>• EPC Contract Documents;</li> <li>• Lenders Independent Engineer reports</li> <li>• Project Information Memorandum;</li> </ul> <p><b><u>Social Safeguard</u></b></p> <ul style="list-style-type: none"> <li>• There are no Rehabilitation and Resettlement issues in the project affected area. Since, major portion of encroachments encumbrances has been avoided by re-aligning of about 14 Kms. of the existing road and providing seven new bypasses of 30 km;</li> <li>• The sub-project has been prepared by NHAI as per its own funding requirement and not anticipation to ADB operation;</li> <li>• Land acquisition is being done by NHAI as per the applicable policy of NHAI Act-1956. The compensation for the loss of properties has been decided by competent authority. The payment of compensation is being paid through Cheque;</li> <li>• Since no project specific Involuntary resettlement plan has been prepared for this project, however,</li> </ul>

		<p>to ensure the safeguard compliance, following documents were reviewed by ESMU;</p> <ul style="list-style-type: none"> <li>• Environment Impact Assessment Report (EIA);</li> <li>• Feasibility Report;</li> <li>• RoW hand over letter from NHAI;</li> <li>• Notification for Public Hearings.</li> <li>• Project Information Memorandum (PIM);</li> </ul> <p>Since this project is road widening and up gradation of existing change of 2/4 laning, so no project specific IR/IP was prepared. However, a separate EIA and PIM were prepared.</p> <p>Generally a project comes to IIFCL after the technical closure and prior to the financial closure, where preparation of all the documents like PIM, EIA land acquisition and compensation etc. have been initiated and finalized by the Concessioneing Authority where IIFCL have a very limited role to play.</p> <p>Due diligence for a project conducted based on the available documents like PIM EIA, Permits &amp; clearances, Land acquisition and compensation etc., verification of pending litigation cases (if any) and discussions during the site visit was also carried out for the project..</p> <p>However, PIM, Feasibility Report, EIA, Consents &amp; approvals, Proceedings of public hearings, News Paper publication for public hearings, HSE &amp; Road safety Plan, RoW hand over letter, same copy of cheque relating to payment of compensation, EC, Tree cutting permission, Forest Clearance, LIE report, etc. are available for this project.</p> <p>(If yes, please provide the names of documents reviewed.)</p>
8.	<p>What were the main environmental, involuntary resettlement and indigenous peoples issues associated with this subproject that were identified through due diligence conducted by your organization, and how were the issues dealt with (i.e., outcome of due diligence)?</p>	<p><b><u>Environmental Safeguard</u></b></p> <p>BSCPL Aurang Tollways Pvt. Ltd. does not have any environmental issue associated with it. The project has achieved provisional COD on 6<sup>th</sup> May 2016.</p> <p>Institutional arrangement is available at sub-project level for implementation and monitoring of environmental aspects.</p> <p>The following documents were reviewed for the purpose of annual audit:</p> <ul style="list-style-type: none"> <li>• Quarterly Project Environmental Monitoring Report covering Air, water and noise, soil &amp; stack emissions monitoring (January, July &amp; November 2016, January 2017);</li> <li>• Pointwise compliance report to the conditions specified in the Environmental Clearance for the period October 2016 – March 2017;</li> <li>• Environmental Statement (Form V) for the financial year 2015-16 &amp; 2016-17;</li> </ul>

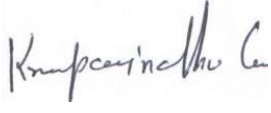


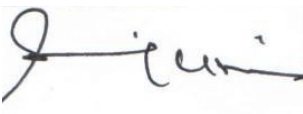
	<ul style="list-style-type: none"> <li>• Environmental Audit Report - March 2016 &amp; March 2017 covering statutory compliance audit, environmental management system and process audit, pollution impact and control audit, waste management audit, safety and health management, landscaping, avenue plantation and median plantation etc.;</li> <li>• The LIE reports for the sub-project (Feb, May, June, November 2016);</li> <li>• Tree cutting and plantation status;</li> <li>• Report on borrow area rehabilitation</li> </ul> <p>Based on the documents received from the Concessionaire for the reporting period, it can be stated that:</p> <ul style="list-style-type: none"> <li>• The concessionaire has obtained the relevant permits/approvals for the sub-project. Renewal of permits is being taken as and when required.</li> <li>• The Concessionaire is implementing EMP at sub-project site. Implementation of EMP is found to be adequate at the sub-project.</li> <li>• For effective implementation of the EMP, Concessionaire has established an environmental cell headed by the Project Manager. The environmental cell looks after day-to-day implementation of EMP, obtaining statutory clearances, conducting periodic environmental monitoring, attending MoEFCC compliance conditions as specified.</li> <li>• The environmental monitoring is being done at sub-project on periodic basis, the monitoring frequency is found to be adequate and the monitoring results are within the prescribed limits of regulatory norms.</li> <li>• Till March 2017, a total of 34,679 trees (14091 from Forest Land and 20588 from Revenue land) have been cut at the sub-project out of 39505 trees falling within the ROW. Balance trees are not likely to hinder works hence not planned to be cut at present.</li> <li>• Avenue plantation and green belt development is in progress.</li> <li>• Median plantation is completed. 86327 number of shrubs are planted in the median covering length of 146.29 km till March 2017. Median plantation is being watered regularly.</li> <li>• Water supply, toilet facilities with septic tanks followed by soak pits are provided in the labour camps. Pest control is done at the camps on regular basis.</li> <li>• Sign board, direction boards, MCB on high embankment area, cat eyes, solar stud, padestrain guard rail, bus bays, truck laybays, service roads etc are provided for traffic management and safety.</li> <li>• 64 no. of borrow areas are closed and are</li> </ul>
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		<p>rehabilitated. Rehabilitation report on closed borrow areas is maintained by the sub-project.</p> <p>On review of safeguards related documents/reports for the reporting period it can be concluded that there are no environmental issues at the sub-project.</p> <p><b><u>Social Safeguard:</u></b></p> <ul style="list-style-type: none"> <li>• There are no Rehabilitation and Resettlement issues in the project affected area. Since, major portion of encroachments encumbrances has been avoided by re-aligning of about 14 Kms. of the existing road and providing seven new bypasses of approx. 30 km;</li> <li>• The sub-project has been prepared by NHAI as per its own funding requirement and not anticipation to ADB operation;</li> <li>• Land acquisition is being done by NHAI as per the applicable policy of NHAI Act-1956. The compensation for the loss of properties has been decided by competent authority. The payment of compensation is being paid through Cheque;</li> <li>• Based on the available skill and qualification requirements, employment preference have been given to local labourers in the construction activity;</li> <li>• Development of pond;</li> <li>• Supply of drinking water through tankers as required by villagers;</li> <li>• Enhancement of village road.</li> <li>• The available land along the existing project road varies between 24.40 m to 37.00 m.</li> <li>• About 88 percent of the alignment has average ROW of 36.60 m which is sufficient for four laning of the project;</li> <li>• There are no Rehabilitation and Resettlement issues in the project affected area. Since, major portion in the city area have been avoided by providing seven numbers of new bypasses.</li> </ul>
9.	Did you discuss with the Lead Bank the applicable environmental and social safeguard requirements and their implementation?	<p>Lenders' Independent Engineers (LIE) appointed by the lead bank is submitting the Monthly Progress Report (MPR) within the consortium as per the agreed frequency is monthly. Generally, IIFCL meets the Lenders' sometimes monthly or quarterly as agreed in the consortium and discussed regarding the pending issue if any.</p> <p>The last consortium meeting for this project was held during the month of February 2017.</p>
10.	For category A subproject, were safeguards related documents such as EIA, RP and IPP,	BSCPL Aurang Tollways Pvt. Ltd. does not fall under category A as per ADB's safeguard

	or audit reports made publicly available, in addition to posting on ADB's website?	requirement.  (If yes, please provide website link and the date the documents were uploaded.)
11.	Were any conditions or covenants related to environmental and social issues made along with the investment?	The compliance to the applicable laws of land is included as a covenant in the loan agreement signed by the Lead Bank and other consortium members with the Concessionaire.  (If yes, please briefly describe.)
12.	Does the investment comply with applicable government requirements?	Yes
13.	Does the investment comply with applicable DFI safeguard requirements?	Yes

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Please provide responses to the questions below. Please include additional sheets or attachments as required to provide details on questions that have been answered Yes. IIFCL is required to submit the periodic performance report to DFIs (see footnote below)<sup>1</sup>. This format is only for guidance and could be improved.

<b>Name of Organization</b>	India Infrastructure Finance Company Limited (IIFCL)	
<b>Name of Sub-project</b>	Development, maintenance and management of the State Highway No.05A including four laning from Ch.0.000 to Ch. 64.000 & from Ch. 97.000 to Ch. 115.000 and six laning from Ch. 64.000 to Ch. 97.000 of Varanasi - Shaktinagar section of NH-05A in the state of Uttar Pradesh through Public Private Partnership (the PPP) on Design, Build, Finance, Operate and Transfer (DBFOT) basis.	
<b>Name of Sub-project Developer</b>	ACP Tollways Private Limited	
<b>Reporting Period</b>	From January - 2016 to January - 2017	
<b>Audit Activity</b>	<b>Name &amp; Designation</b>	<b>Signature</b>
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**A. Environmental and Social Management System (ESMS)**

	Policies & Processes	Yes/ No	
1.	Has your organization developed and implemented an ESMS?	Yes	ESSF was adopted by IIFCL in October 2008 which was subsequently revised in November, 2010 and July 2013 and Addendum to the ESSF for World Bank financed projects was issued in year 2014. The latest revised ESSF of February 2016 is available on IIFCL's website ( <a href="http://www.iifcl.org/WriteReadData/userfiles/file/Final%20ESSF.pdf">http://www.iifcl.org/WriteReadData/userfiles/file/Final%20ESSF.pdf</a> )  (If yes, please attach a copy of the ESMS to this report. Please indicate the date that the ESMS was established.)
2.	If there is an ESMS already in place, have there been any updates to the ESMS or policy and	Yes	Based on ESMU's operational experience & current practices, ESSF has been further revised which is in alignment with Govt. of India Guidelines/Regulations. During February 2016,

<sup>1</sup> Reporting requirements outlined here pertained to ADB. Other DFIs also have similar requirements.

	procedures adopted by your organization during the reporting period?		<p>Latest revised ESSF was approved by IIFCL Board which has been further shared with DFI's during May 2016. Weblink for the same is given above.</p> <p>(If yes, please provide a copy of the updates including dates and reasons for the same.)</p>																									
3.	Has senior management signed off on the updated policy/ procedure?	Yes	<p>The ESSF 2016 has been approved by IIFCL Board on 23<sup>rd</sup> February 2016.</p> <p>(If yes, please provide the date and internal communication indicating the same.)</p>																									
4.	Has your organization appointed staff tasked to implement the ESMS?	Yes	<p>Environmental and Social Safeguards Management Unit (ESMU) has been set up at IIFCL in 2010 to fulfil the environmental &amp; social safeguard commitments based on ESSF guidelines.</p> <p>The ESMU is headed/ coordinated by a qualified full-time staff of IIFCL and currently two full-time environmental safeguards specialists and one full-time social safeguards specialist are engaged, headed by head ESMU in the rank of General Manger. The details of the ESMU team as on January 2017 are given below:</p> <table><tr><th>Sl. No</th><th>Name of Employee</th><th>Designation</th><th>Qualification</th><th>Experience in relevant field</th></tr><tr><td>1.</td><td>Dr. S. S. Garg</td><td>General Manager (GM) &amp; Head, ESMU</td><td>Doctorate in Environmental Sciences, Diploma in Industrial Safety, Lead Auditor for ISO 14001 and OHSAS18001</td><td>22 yrs</td></tr><tr><td>2.</td><td>Dr. Ruchi Malik</td><td>Assistant General Manager (AGM)- Environment Specialist</td><td>Doctorate in Environmental Sciences</td><td>15 yrs</td></tr><tr><td>3.</td><td>Dr. Rashmi Kadian</td><td>Assistant General Manager (AGM)- Environment Specialist</td><td>Doctorate in Environmental Sciences</td><td>14 yrs</td></tr><tr><td>4.</td><td>Mr. Krupasin dhu Guru</td><td>Assistant General Manager (AGM)- Social Specialist</td><td>Masters in Economics, Masters in Journalism, and LLB</td><td>15 yrs</td></tr></table> <p>(IF yes, please provide information on number of staff and qualification (experience and education backaroud) to implment</p>	Sl. No	Name of Employee	Designation	Qualification	Experience in relevant field	1.	Dr. S. S. Garg	General Manager (GM) & Head, ESMU	Doctorate in Environmental Sciences, Diploma in Industrial Safety, Lead Auditor for ISO 14001 and OHSAS18001	22 yrs	2.	Dr. Ruchi Malik	Assistant General Manager (AGM)- Environment Specialist	Doctorate in Environmental Sciences	15 yrs	3.	Dr. Rashmi Kadian	Assistant General Manager (AGM)- Environment Specialist	Doctorate in Environmental Sciences	14 yrs	4.	Mr. Krupasin dhu Guru	Assistant General Manager (AGM)- Social Specialist	Masters in Economics, Masters in Journalism, and LLB	15 yrs
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			the ESMS.)
5.	Please give details of any transactions rejected due to environmental and/or social concerns.	Yes	<p>During the reporting period (January 2016 – January 2017) one transaction i.e. GVK Bagodara Vasad Expressway Private Limited was replaced due to environmental concerns.</p> <p>The validity of environmental clearance has expired. As the sub-project did not possess a valid EC, it was found to be non-compliant and recommended for removal from approved list of sub-projects and replaced by a compliant sub-project.</p>
6.	Please state any difficulties and/or constraints related to the implementation of the ESMS.		<p>One of the pre requisites for getting funding (multilateral/bilateral financial institutions like World Bank, Asian Development Bank, and European Investment Bank) under line of credit is the evaluation of the subprojects on environmental and social issues. The ESSF of IIFCL provides an enabling mechanism to IIFCL to meet environmental and social safeguard requirements associated with sub-projects.</p> <p>As per the mandate, IIFCL finances upto 20% of project cost thus, IIFCL is a minor partner in the consortium. IIFCL follows the ESSF, whereas the other lending partners do not have such safeguards framework.</p> <p>The environmental and social safeguards requirement of any infrastructure project requires screening of vast quantum of data / information / statutory approvals / permits / periodic compliance monitoring reports etc. as per National safeguards requirements. Extracting this information from the developer is a time consuming process and is a challenging task.</p> <p>IIFCL monitors the project through Lender's Engineer Report, site visits and E&amp;S information sought from the concessionaire periodically.</p>
7.	Please describe how you ensure that your clients and their investments are operated in compliance with the national laws and regulations and applicable DFI's safeguard requirements.		<p>In the Common Loan Agreement for each project funded by IIFCL, certain covenants are always put up reflecting concessionaire's liability to comply with applicable laws of land as required for project implementation.</p> <p>The safeguard compliance status of the project is examined during the due diligence study of the project. After the approval of the project by the DFIs, ESMU conducts annual audit of the projects to review whether the projects are operated in compliance with the applicable laws and regulations.</p> <p>To ensure compliance with DFIs safeguards requirements reports on implementation of EMP, reports on monitoring of environmental parameters, status of safety management, LIE reports and six monthly compliance reports are generally shared by developer with IIFCL. The borrowers also engage safety officers/engineers to look after the safety, health and environment related aspects.</p>
8.	Please give details of any material social and environmental issues associated with clients during the reporting period in particular.		<p>The environmental and social safeguard requirement of any infrastructure project requires screening of vast quantum of data / information / statutory approvals / permits / periodic compliance monitoring reports etc. as per National safeguards requirements. Extracting this information from the developer is a time consuming process and is a challenging task.</p>

			IIFCL monitors the project through Lender's Engineer Report, site visits and E&S information sought from the concessionaire periodically. No such social issues are associated with the subproject during the reporting period.
9.	In case the existing ESMS is not fully functional, what are the action plan being implemented by your organization?		Presently, existing ESMU is functional.  (Please provide information or cite recommendation made by DFI's review mission to improve the ESMS and its implementation.)
	<b>Capacity</b>	Yes/ No	
10.	Please provide the name and contact information of the senior staff who has the overall responsibility for the implementation of ESMS.	Yes	Mr Sanjeev Ghai, Chief General Manager has the overall responsibility for the implementation of ESSF. His contact information are provided below:  Telephone : +91 11 23450263, 23450261 (Direct); Email : <a href="mailto:sanjeevghai@iifcl.org">sanjeevghai@iifcl.org</a>  (Please describe the training or learning activities the Environmental/Social Officer or Coordinator attended during the year.)
11.	Please provide current staffing of other core ESMS persons in the organization involved with ESMS implementation.	Yes	Please refer Section A, point no. 4 for details of ESMU persons of IIFCL.  Please find attached details of Training programmes attended by ESMS Staff during reporting period of January 2016 to January 2017 as <b>Annexure-I</b> .  (Please describe the training provided to the ESMS persons and other team members during the year.)
12.	What was the budget allocated to the ESMS and its implementation during the year?	Yes	ESMU is the core team of IIFCL and requisite budgetary provision is a part of IIFCL's budget.  (Please provide budget details including staff costs and training as well as any actual costs.)
	<b>Monitoring</b>		
13.	Do you receive environmental and social monitoring reports from Lead Banks/Borrowers?	Yes	The project is monitored through Lenders Engineer's reporting. The Lender's Independent Engineer is appointed by the Lead Bank of the Lender's Consortium to monitor the physical, financial progress and the compliance of various regulatory requirements. Periodic LIE reports are provided by the Lead Bank to the IIFCL. The LIE reports generally cover areas related to statutory approval status, forest diversion, tree cutting status, safety management, land acquisition status, utility shifting and pending litigation etc.  From Borrowers, IIFCL receives reports on implementation of EMP, reports on monitoring of environmental parameters, status of safety management and six monthly compliance reports, etc.  (If yes, please describe and provide supporting documents including any social and environmental considerations if applicable.)
14.	Do you check for ongoing compliance of your clients with national regulation and any other	Yes	During the environmental and social due diligence study and subsequent audit, the compliance of the project with the applicable regulation is checked with available documentation.

	requirements?		<p>The site visit is carried out by ESMU for field verification.</p> <p>(If yes, please describe the process including any social and environmental considerations if applicable.)</p>
15.	Please describe how you monitor the clients and their investments' social and environmental performance.		<p>All the subprojects are invariably visited at the time of ESDDR preparation. Further Audit purposes, it was discussed that only a percentage of such projects would be visited if there are any pending safeguards issues. Therefore for audit purpose only limited projects were visited.</p> <p>The social and environmental performances are checked during the preparation of Environmental and Social Due Diligence Report and annual audit. Each approved project is evaluated for its environmental and social safeguard compliance performance against the applicable safeguard requirements at the time of annual audit. The compliance status is also assessed through the LE report which covers the statutory approval status, forest diversion, tree cutting status, safety management, land acquisition, shifting of common property resources status and pending litigation etc; reports on implementation of EMP, reports on monitoring of environmental parameters, status of safety management, six monthly compliance reports and through site visits.</p> <p>Out of the 16 sub-projects approved under AIIFI Line of credit, site visits were conducted for three sub-projects in the year 2016 and two projects were visited at the end of 2015 for the purpose of ESDDR preparation. Three sub-projects undergoing construction phase, were also visited in the year 2016 for annual audit purpose. Projects which achieved COD during reporting period &amp; approved under Takeout Finance scheme by ADB, were not considered necessary for site visit as there were no pending or critical issues are found. For such cases, safeguards audit reports have been prepared based on review of safeguards compliance information/records related to project and discussions with project developer team.</p> <p>(Please describe and provide supporting documents such as environmental and social monitoring reports and please provide information on the number of subprojects where a field visit was conducted by staff to review aspects including social and environmental issues.)</p>
16.	<p>Please provide details of any accidents/litigation/complaints /regulatory notices and fines:</p> <ul style="list-style-type: none"> <li>- Any incidents of non-compliance with the applicable Environmental and Social Requirements</li> <li>- Covenants/conditionalities imposed by IIFCL to the client as a result of any non-compliance</li> </ul>		The project specific details are provided in Section 'C'.
	<b>Reporting</b>		
17.	Is there an internal process to report on social and environmental issues to Senior management?	Yes	<p>The ESDDR (one time document) and Audit sheets are approved by the Senior Management.</p> <p>The ESDDR is a detailed report on environmental as well as social safeguards and annual audit sheet is reported in the present format.</p>

			(If yes, please explain the process, reporting format and frequency and actions taken if any.)
18.	Do you prepare any social and environmental reports: <ul style="list-style-type: none"> <li>- For other multilateral agencies</li> <li>- Other stakeholders</li> <li>- E&amp;S reporting in the Annual Report</li> <li>- Sustainability reports</li> </ul>	Yes	ESMU prepares Environment and Social Due Diligence report for the projects which are posed to other DFIs to draw down, under their line of credit. IIFCL's annual report also reports on the ESSF since the year 2008-09 and ESMU since its inception in the year 2009-10.  The Annual Reports are uploaded on IIFCL website and weblink for the same is <a href="http://www.iifcl.org/Content/report.aspx?mid=17&amp;bid=2&amp;cid=1">http://www.iifcl.org/Content/report.aspx?mid=17&amp;bid=2&amp;cid=1</a>  (If yes, please provide copies of these reports.)

**B. Activities on DFI's Prohibited Investment Activities List**

1.	If any, please indicate the dollar percentage of loans or investments out of your total outstanding exposure provided to clients who are substantially involved in DFI's Prohibited Investment Activities List (Refer to Annexure V of SPS 2009).	Not applicable, since, IIFCL does not involve in the prohibited investment activities.
2.	If the percentage is not zero, please explain these exposures and any steps having been taken to reduce such exposure.	Not applicable

**C. Subprojects Using DFI Funds**

Please provide information about all new investments using DFI funds approved during this reporting period.

1.	Name of Subproject:	Sub-project Developer: <b>ACP Tollways Private Limited</b>  Sub-project: Development, maintenance and management of the State Highway No.05A including four laning from Ch.0.000 to Ch. 64.000 & from Ch. 97.000 to Ch. 115.000 and six laning from Ch. 64.000 to Ch. 97.000 of Varanasi - Shaktinagar section of NH-05A in the state of Uttar Pradesh through Public Private Partnership (the PPP) on Design, Build, Finance, Operate and Transfer (DBFOT) basis.
2.	Location:	Varanasi-Shaktinagar road up to Hathinala (SH-5A) in the State of Uttar Pradesh
3.	Sector:	Highways and Roads
4.	Total loan from IIFCL/DFI (US\$ MN):	37.53 US \$ MN
5.	Safeguard category: (Annex E-3)	Environment Category: B No Indigenous People are involved in this project  No Rehabilitation and resettlement are involved in this project.  Further, this project is up gradation and maintenance of existing Chainage of 2/4/6 lane. Moreover, land acquisition was initiated prior to IIFCL's involvement after the Gazette Notification was published.  As documented in the ESDDR no Indigenous people were involved in

		the project.
6.	Were any environmental and social due diligence undertaken by your organization?	<p>Environmental &amp; Social Due-Diligence for ACP Tollways Pvt. Ltd. was undertaken by ESMU for which desk review of safeguards related documents was carried out along with field verification done during site visit conducted on 13th to 14th of August, 2013 by ESMU team.</p> <p>Site visit was also conducted for safeguards compliance check by ESMU Staff during 28-29<sup>th</sup> May 2015.</p> <p>Further, review of safeguard related information was also done for the period January 2016 – January 2017 for annual audit purpose.</p> <p>(If yes, provide information on due diligence activities, such as desk review of safeguard documents, and field visit, and by whom.)</p>
7.	Any environmental assessment report (including environmental management plan), involuntary resettlement plan, or indigenous peoples plan, or audit reports reviewed by your organization?	<p><b><u>Environmental Safeguard:</u></b></p> <p>The Environmental Safeguard Due-Diligence study was carried out for the sub-project on the basis of site visit observations and understanding project scope based on information and documents provided by the Concessionaire. As per observation of State Level Environment Impact Assessment Authority, Uttar Pradesh State, this sub-project does not come under the purview of EIA Notification, 2006, as amended in April 2011. Therefore, no EIA was prepared for the sub-project. However, an EMP was prepared and implemented at the sub-project.</p> <p>The following documents were referred/reviewed in order to prepare Environmental Safeguards Due-Diligence Report:</p> <ul style="list-style-type: none"> <li>• Environmental Management Plan</li> <li>• Project Statutory consent/ approvals and permits</li> <li>• Project HSE Documents</li> <li>• EPC Contract Documents</li> <li>• Concession Agreement</li> <li>• Project Information Memorandum</li> <li>• Lenders Independent Engineer reports</li> </ul> <p><b>Social Safeguard</b></p> <ul style="list-style-type: none"> <li>• As informed by the developer, no tribal families are getting affected due to the sub project;</li> <li>• No project specific Involuntary resettlement plan has been prepared for this project, however, to ensure the safeguard compliance, following documents were reviewed by ESMU:</li> <li>• Project Information Memorandum;</li> <li>• Concession Agreement;</li> <li>• Engineering Procurement and Construction Agreement;</li> <li>• Lender's Independent Engineer's report, December 2014;</li> <li>• Gazette Notification for land acquisition</li> </ul> <p>Generally a project comes to IIFCL after the technical closure and prior to the financial closure, where preparation of all the documents like PIM, EIA land acquisition and compensation etc. have been initiated and finalized by the Concessions Authority where IIFCL have a very limited role to play.</p> <p>Due diligence for a project conducted based on the available documents like PIM EIA, Permits &amp; clearances, Land acquisition and compensation etc., verification of pending litigation cases (if any) and</p>


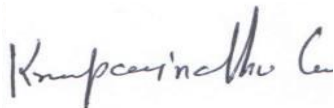

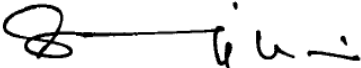
		<p>discussions during the site visit was also carried out for the project.</p> <p>However, for this project land acquisition was carried by Uttar Pradesh State Highway Authority (UPSHA) and compensation is paid by the UPSHA. Further, during the discussion it was informed that no physical displacement was happened because of the project and no indigenous people were affected because of this project.</p> <p>(If yes, please provide the names of documents reviewed.)</p>
8.	<p>What were the main environmental, involuntary resettlement and indigenous peoples issues associated with this subproject that were identified through due diligence conducted by your organization, and how were the issues dealt with (i.e., outcome of due diligence)?</p>	<p><b><u>Environmental Safeguard</u></b></p> <p>During environmental due-diligence the formal Forest Clearance was pending for the sub-project. Forest Clearance for 129.251 hectare of forest land diverted for the sub-project has been granted by MoEFCC vide letter dated 14th November 2013, which was shared by the Concessionaire with IIFCL. Sub-project has achieved commercial operation with effect from 31<sup>st</sup> October 2015.</p> <p>The following documents were referred for the purpose of annual audit of the sub-project:</p> <ul style="list-style-type: none"> <li>• Environmental Management Plan implementation</li> <li>• The LIE Monthly Progress Review Reports for the sub-project from January to December 2016, the LIE for the sub-project covers environment, social, health, safety and traffic issues; status of utility shifting; tree cutting status; financial, physical progress; land acquisition and status of applicable permits.</li> <li>• Incident reports</li> <li>• Rehabilitation measures for quarry and borrow area management</li> <li>• Tree cutting status and plantation details</li> <li>• Traffic &amp; road safety measures implementation</li> </ul> <p>Following is the observations / outcome of the review of documents / information for annual audit :</p> <ul style="list-style-type: none"> <li>• The project has permits &amp; approvals.</li> <li>• The project has adequate institutional arrangement for EMP implementation.</li> <li>• EMP implementation matrix shared by the developer is found to be adequate. The subproject developer has a defined budget for EMP implementation.</li> <li>• Quarries and borrow pits have been backfilled and some borrow areas have been constructed to water bodies (ponds) as part of rehabilitation plan.</li> <li>• Surveillance and safety programmes have been developed to ensure adequate measures for safe operation of Highway during construction period.</li> <li>• Road diversions being properly maintained provision of signages on Highway.</li> <li>• Crash barriers are installed on all grade separator's/railway over bridge/underpasses. Regular trainings of drivers and operators is being conducted to generate safety awareness.</li> </ul>

		<ul style="list-style-type: none"> <li>Tree cutting has been completed at the project. 28968 number of trees have been cut from forest as well as non forest area till December 2016.</li> <li>Median plantation on Varanasi - Shaktinagar Road has been done and is being maintained by the Concessionaire. Tree Plantation has been carried out in Ahraura, Chopan Base camp and crusher site Chiraiya and Dala.</li> </ul> <p>There are no environmental issues were identified on review of safeguards documents for reporting period for ACP Tollways Private Limited.</p> <p><b>Social Safeguard</b></p> <ul style="list-style-type: none"> <li>Land acquisition has been carried out by Uttar Pradesh State Highway Authority (UPSHA) after the Gazette notification were published;</li> <li>No Schedul Tribe/Schedul Cast people are getting affected due to the sub project;</li> <li>UPSHA has prepared this project for its own funding requirement and not in anticipation to ADB's operation, and the compensation has been paid for loss of properties as determined by the Competent Authority;</li> <li>Based on the available skill and qualification requirements, employment preference have been given to local labourers in the construction activity;</li> <li>As informed by the subproject developer Job opportunity to more than 250 local labours. Based on the available skill and qualification requirements, employment preference have been given to 95 skilled, 50 semiskilled and 105 unskilled labourers are employed during the construction activity of the project;</li> <li>Construction and Enhancement of village/panchayat ponds;</li> <li>Enhancement of village Roads;</li> <li>Organizing health checkup camps for the local people;</li> <li>Helping hand for the flood which was came on 2015 for ffood affected people;</li> <li>Awareness camp for road users for following safe road use like safe driving, use helmet while driving motorcycle, safe speed, keeping vehicle in condition etc.</li> <li>The affected structures are being relocated after consultation with the local people;</li> <li>Sub-project has achieved commercial operation with effect from 31<sup>st</sup> October 2015.</li> </ul> <p>There are no pending issues are associated with the sub-project. The project has already achieved COD on 31st October 2015 and is in smooth operation since then.</p>
9.	Did you discuss with the Lead Bank the applicable environmental and social safeguard requirements and their implementation?	<p>Lenders' Independent Engineers (LIE) appointed by the lead bank is submitting the Monthly Progress Report (MPR) within the consortium as per the agreed frequency is monthly. Generally, IIFCL meets the Lenders' sometimes monthly or quarterly as agreed in the consortium and discussed regarding the pending issue if any.</p> <p>The last consortium meeting for this quarter was held during the month of February 2017.</p>
10.	For category A subproject, were safeguards related documents such as EIA, RP	ACP Tollways Pvt. Ltd. does not fall under category A as per ADB's safeguard requirements.

	and IPP, or audit reports made publicly available, in addition to posting on ADB's website?	(If yes, please provide website link and the date the documents were uploaded.)
11.	Were any conditions or covenants related to environmental and social issues made along with the investment?	The compliance to the applicable laws of land is included as a covenant in the loan agreement signed by the lead bank and other consortium members with the Concessionaire.  (If yes, please briefly describe.)
12.	Does the investment comply with applicable government requirements?	Yes
13.	Does the investment comply with applicable DFI safeguard requirements?	Yes

**ANNEX E-17: PERIODIC ENVIRONMENTAL AND SOCIAL PERFORMANCE REPORT FOR  
SUBPROJECTS APPROVED UNDER ADB'S LINE OF CREDIT, AIIFI (PFR-1)**

Please provide responses to the questions below. Please include additional sheets or attachments as required to provide details on questions that have been answered Yes. IIFCL is required to submit the periodic performance report to DFIs (see footnote below)<sup>1</sup>. This format is only for guidance and could be improved.

Name of Organization	India Infrastructure Finance Company Limited (IIFCL), New Delhi	
Name of Sub-project	Securitization of Five Mumbai Entry Points along with maintenance of flyovers and allied structures.	
Name of Sub-project Developer	MEP Infrastructure Road Pvt. Ltd.	
Reporting Period	From January 2016 to January 2017	
<b>Audit Activity</b>	<b>Name of Audit Team Member &amp; Designation</b>	<b>Signature</b>
Prepared by:	Dr. Ruchi Malik Assistant General Manager (Environment Specialist) ESMU, IIFCL	
	Mr. Krupasindhu Guru Assistant General Manager (Social Safeguard Specialist) ESMU, IIFCL	
Reviewed by:	Dr. S.S. Garg, General Manager & Head- ESMU, IIFCL	
Approved by Senior Staff with Overall responsibility for ESMS Implementation	Mr. Sanjeev Ghai, Chief General Manager, IIFCL	

**A. Environmental and Social Management System (ESMS)**

Sr. No.	Policies & Processes	Yes/No	
1.	Has your organization developed and implemented an ESMS?	Yes	ESSF was adopted by IIFCL in October 2008 which was subsequently revised in November, 2010 and July 2013 and Addendum to the ESSF for World Bank financed projects was issued in year 2014. The latest revised ESSF of February 2016 is available on IIFCL's website ( <a href="http://www.iifcl.org/WriteReadData/userfiles/file/Final%20E">http://www.iifcl.org/WriteReadData/userfiles/file/Final%20E</a>

<sup>1</sup> Reporting requirements outlined here pertained to ADB. Other DFIs also have similar requirements.

			SSF%20Feb%202016%2023_5_2016%20(1).pdf)  (If yes, please attach a copy of the ESMS to this report. Please indicate the date that the ESMS was established.)																									
2.	If there is an ESMS already in place, have there been any updates to the ESMS or policy and procedures adopted by your organization during the reporting period?	Yes	Based on ESMU's operational experience & current practices, ESSF has been further revised which is in alignment with Govt. of India Guidelines/Regulations. During February 2016, Latest revised ESSF was approved by IIFCL Board which has been further shared with DFI's during May 2016. Weblink for the same is given above.  (If yes, please provide a copy of the updates including dates and reasons for the same.)																									
3.	Has senior management signed off on the updated policy/ procedure?	Yes	Latest revised ESSF has been approved by IIFCL Board on 23 <sup>rd</sup> February, 2016.  (If yes, please provide the date and internal communication indicating the same.)																									
4.	Has your organization appointed staff tasked to implement the ESMS?	Yes	Environmental and Social Safeguards Management Unit (ESMU) has been set up at IIFCL in 2010 to fulfil the environmental & social safeguard commitments based on ESSF guidelines.  The ESMU is headed/ coordinated by a qualified full-time staff of IIFCL and currently two full-time environmental safeguards specialists and one full-time social safeguards specialist are engaged. The details of the ESMU team as on 31 <sup>st</sup> January, 2017 are given below: <table><tr><th>Sl. No</th><th>Name of Employee</th><th>Designation</th><th>Qualification</th><th>Experience in relevant field</th></tr><tr><td>1.</td><td>Dr. S. S. Garg</td><td>General Manager</td><td>Doctorate in Environmental Sciences, Diploma in Industrial Safety, Lead Auditor for ISO 14001 and OHSAS18001</td><td>22 yrs</td></tr><tr><td>2.</td><td>Dr. Ruchi Malik</td><td>Assistant General Manager - Environment Specialist</td><td>Doctorate in Environmental Sciences</td><td>15 yrs</td></tr><tr><td>3.</td><td>Dr. Rashmi Kadian</td><td>Assistant General Manager - Environment Specialist</td><td>Doctorate in Environmental Sciences</td><td>14 yrs</td></tr><tr><td>4.</td><td>Mr. Krupasindhu Guru</td><td>Assistant General Manager -</td><td>Masters in Economics, Masters in</td><td>15 yrs</td></tr></table>	Sl. No	Name of Employee	Designation	Qualification	Experience in relevant field	1.	Dr. S. S. Garg	General Manager	Doctorate in Environmental Sciences, Diploma in Industrial Safety, Lead Auditor for ISO 14001 and OHSAS18001	22 yrs	2.	Dr. Ruchi Malik	Assistant General Manager - Environment Specialist	Doctorate in Environmental Sciences	15 yrs	3.	Dr. Rashmi Kadian	Assistant General Manager - Environment Specialist	Doctorate in Environmental Sciences	14 yrs	4.	Mr. Krupasindhu Guru	Assistant General Manager -	Masters in Economics, Masters in	15 yrs
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			<table><tr><td></td><td></td><td>Social Specialist</td><td>Journalism, and LLB</td><td></td></tr></table>			Social Specialist	Journalism, and LLB	
		Social Specialist	Journalism, and LLB					
			(IF yes, please provide information on number of staff and qualification (experience and education background) to implement the ESMS.)					
5.	Please give details of any transactions rejected due to environmental and/or social concerns.	No	<p>During the reporting period (January 2016 – January 2017) one transaction i.e. GVK Bagodara Vasad Expressway Private Limited was replaced due to environmental concerns.</p> <p>The validity of environmental clearance got expired for this project. As the sub-project did not possess a valid EC, it was found to be non-compliant and recommended for removal from approved list of sub-projects and replaced by a compliant sub-project.</p>					
6.	Please state any difficulties and/or constraints related to the implementation of the ESMS.		<p>One of the pre requisites for getting funding (multilateral/bilateral financial institutions like World Bank, Asian Development Bank, and European Investment Bank) under line of credit is the evaluation of the subprojects on environmental and social issues. The ESSF of IIFCL provides an enabling mechanism to IIFCL to meet environmental and social safeguard requirements associated with sub-projects.</p> <p>As per the mandate, IIFCL finances upto 20% of project cost thus, IIFCL is a minor partner in the consortium. IIFCL follows the ESSF, whereas the other lending partners do not have such safeguard framework.</p> <p>The environmental and social safeguard requirement of any infrastructure project requires screening of vast quantum of data / information / statutory approvals / permits / periodic compliance monitoring reports etc. as per National safeguards requirements. Extracting this information from the developer is a time consuming process and is a challenging task.</p>					
7.	Please describe how you ensure that your clients and their investments are operated in compliance with the national laws and regulations and applicable DFI's safeguard requirements.		<p>In the Common Loan Agreement for each project funded by IIFCL, certain covenants are always put up reflecting concessionaire's liability to comply with applicable laws of land as required for project implementation.</p> <p>The safeguard compliance status of the project is examined during the due diligence study of the project. After the approval of the project by the DFIs, ESMU conducts annual audit of the projects to review whether the projects are operated in compliance with the applicable laws and regulations.</p> <p>To ensure compliance with DFIs safeguards requirements reports on implementation of EMP, reports on monitoring of environmental quality parameters, status of labour and safety management at project site, Periodic LIE reports and six monthly compliance reports submitted to MoEF are generally shared by developer with IIFCL. The borrowers</p>					

			also engage EHS Corodinator/safety officers/engineers to look after the safety, health and environment related aspects.
8.	Please give details of any material social and environmental issues associated with clients during the reporting period in particular.		<p>The environmental safeguards requirement of any infrastructure project requires screening of vast quantum of data / information / statutory approvals / permits / periodic compliance monitoring reports etc. as per National safeguards requirements. Extracting this information from the developer is a time consuming process and is a challenging task.</p> <p>In case of social safeguards, no such issues were associated with the subproject during the reporting period.</p>
9.	In case the existing ESMS is not fully functional, what are the action plan beining implemented by your organization?		<p>Presently, existing ESMU is functional.</p> <p>(Please provide information or cite recommendation made by DFI's review mission to improve the ESMS and its implementation.)</p>
	<b>Capacity</b>	<b>Yes/No</b>	
10.	Please provide the name and contact information of the senior staff who has the overall responsibility for the implementation of ESMS.	Yes	<p>Mr Sanjeev Ghai, Chief General Manager has the overall resposibilty for the implementation of ESSF. His contact information is provided below:</p> <p>Telephone : +91 11 23450263, 23450261(Direct); Email : <a href="mailto:sanjeevghai@iifcl.org">sanjeevghai@iifcl.org</a></p> <p>(Please describe the training or learning activities the Environmental/Social Officer or Coordinator attended during the year.)</p>
11.	Please provide current staffing of other core ESMS persons in the organization involved with ESMS implementation.	Yes	<p>Please refer Section A, point no. 4 for details of ESMU persons of IIFCL.</p> <p>Please find attached details of Training programmes attended by ESMS Staff during reporting period of January 2016 to January 2017 as <b>Annexure-I</b>.</p> <p>(Please describe the training provided to the ESMS persons and other team members during the year.)</p>
12.	What was the budget allocated to the ESMS and its implementation during the year?	Yes	<p>ESMU is the core team of IIFCL and requisite budgetory provision is a part of IIFCL's overall budget.</p> <p>(Please provide budget details including staff costs and training as well as any actual costs.)</p>
	<b>Monitoring</b>		
13.	Do you receive environmental and social monitoring reports from Lead Banks/Borrowers?	Yes	<p>The project is monitored through Lenders Engineer's reporting. The Lender's Independent Engineer is appointed by the Lead Bank of the Lender's Consortium to monitor the physical, financial progress and the compliance of various regulatory requirements. LIE reports are provided by the Lead Bank to the IIFCL. The LIE reports generally cover areas related to statutory approval status, forest diversion, tree cutting status, safety management, land acquisition status and pending litigation etc.</p> <p>From Borrowers, IIFCL receives reports on implementation of EMP, reports on monitoring of environmental quality parameters, status of safety management at project site and six monthly compliance reports submitted to MoEF,Stautory Permitting status,Institutional</p>

			<p>arrangement, Accident/Incident data etc..</p> <p>(If yes, please describe and provide supporting documents including any social and environmental considerations if applicable.)</p>
14.	Do you check for ongoing compliance of your clients with national regulation and any other requirements?	Yes	<p>During the environmental and social due diligence study and subsequent audit, the compliance of the project with the applicable regulation is checked with available documentation. For projects having critical issues related to Safeguards compliance, The site visit is carried out by ESMU for field verification &amp; monitor the Implementation progress.</p> <p>(If yes, please describe the process including any social and environmental considerations if applicable.)</p>
15.	Please describe how you monitor the clients and their investments social and environmental performance.		<p>The social and environmental performances are checked during the preparation of Environmental and Social Due Diligence Report and annual audit. Each approved project is evaluated for its environmental and social safeguard compliance performance against the applicable safeguard requirements at the time of annual audit. The compliance status is also assessed through the LIE report which covers the statutory approval status, forest diversion, tree cutting status, safety management, land acquisition, shifting of common property resources status and pending litigation etc; reports on implementation of EMP, reports on monitoring of environmental parameters, status of safety management, six monthly compliance reports and through site visits.</p> <p>Out of the 16 sub-projects approved under AIIFI Line of credit, site visits were conducted for three sub-projects in the year 2016 and two projects were visited at the end of 2015 for the purpose of ESDDR preparation. Three sub-projects undergoing construction phase, were also visited in the year 2016 for annual audit purpose. Projects which achieved COD during reporting period &amp; approved under Takeout Finance scheme by ADB, were not considered necessary for site visit as there are no pending or critical issues found. For such cases, safeguards audit reports have been prepared based on review of safeguards compliance information/records related to project and discussions with project developer team.</p> <p>(Please describe and provide supporting documents such as environmental and social monitoring reports and please provide information on the number of subprojects where a field visit was conducted by staff to review aspects including social and environmental issues.)</p>
16.	<p>Please provide details of any accidents/litigation/complaints /regulatory notices and fines:</p> <ul style="list-style-type: none"> <li>- Any incidents of non-compliance with the applicable Environmental and Social Requirements</li> <li>- Covenants/conditionalities imposed by IIFCL to the client as a result of any non-compliance</li> </ul>		<p>The project specific details are provided in Section 'C'.</p>
<b>Reporting</b>			
17.	Is there an internal process to	Yes	The ESDDR (one time document) and Audit sheets are

	report on social and environmental issues to Senior management?		approved by the Senior Management.  The ESDDR is a detailed due-diligence report on environmental & social safeguards and annual audit sheet is reported in the present format in which this environmental and social performance report has been prepared.  (If yes, please explain the process, reporting format and frequency and actions taken if any.)
18.	Do you prepare any social and environmental reports: - For other multilateral agencies - Other stakeholders - E&S reporting in the Annual Report - Sustainability reports	Yes	ESMU prepares Environment and Social Due Diligence report for the projects which are posed to other DFIs to draw down, under their line of credit. IIFCL's annual report also reports on the ESSF since the year 2008-09 and ESMU since its inception in the year 2009-10.  The Annual Reports are uploaded on IIFCL website and weblink for the same is given below:  <a href="http://www.iifcl.org/Content/report.aspx?mid=17&amp;bid=2&amp;cid=1">http://www.iifcl.org/Content/report.aspx?mid=17&amp;bid=2&amp;cid=1</a>  (If yes, please provide copies of these reports.)

Sr. No.	B. Activities on DFI's Prohibited Investment Activities List	
1.	If any, please indicate the dollar percentage of loans or investments out of your total outstanding exposure provided to clients who are substantially involved in DFI's Prohibited Investment Activities List (Refer to Annexure V of SPS,2009)	Not applicable, since, IIFCL does not finance in activities as per prohibited investment list.
2.	If the percentage is not zero, please explain these exposures and any steps having been taken to reduce such exposure.	Not applicable

### C. Subprojects Using DFI Funds

Please provide information about all new investments using DFI funds approved during this reporting period.

1.	Name of Subproject:	Securitization of Five Mumbai Entry Points along with maintenance of flyovers and allied structures.  Sub-project Developer: MEP Infrastructure Pvt. Ltd.
2.	Location:	Mumbai city in the state of Maharashtra
3.	Sector:	Roads and Highways (The Project scope included Operation, maintenance of 27 flyovers, capacity augmentation of Mulund (EEH), Mulund (LBS) & Vashi Toll plazas, O & M of five Toll Plazas Mumbai Entry Points including toll collection at prescribed rates for Contract / Concession period)
4.	Total loan from IIFCL/DFI (US\$ mn):	30.49 USD Million

5.	Safeguard category: (Annex E-3)	Environmental Category B No Involuntary Resettlement No Tribal People are affected
6.	Were any environmental and social due diligence undertaken and by your organization?	<p>Yes, Environmental &amp; Social Due-diligence for MEPIPL project was undertaken by Environmental and Social safeguard specialists of IIFCL for which desk review of safeguards documents was carried out along with field verification done during site visit conducted on 31<sup>st</sup> May, 2013. The project was visited by the Environmental and Social safeguard specialists of IIFCL along with ADB's Fact Finding Mission Team.</p> <p>Revised &amp; Final ESDDR for MEP Infrastructure project was submitted to ADB in the month of January 2014.</p> <p>Review of safeguard related information was also done for the period of January 2015 to December 2015 and January 2016 to January 2017 for annual audit purpose.</p>
7.	Any environmental assessment report (including environmental management plan), involuntary resettlement plan, or indigenous peoples plan, or audit reports reviewed by your organization?	<p>The Environmental safeguard due-diligence study was carried out for the project on the basis of site visit observations and understanding project scope based on information and documents provided by Concessionaire.</p> <p><b><u>Environmental Safeguards:</u></b> The following documents were referred in order to prepare Environmental Safeguards Due-Diligence Report:</p> <ul style="list-style-type: none"> <li>• Document for Environment Management and Health &amp; Safety Measures implemented at site by Concessionaire (including Plantation details)</li> <li>• Emergency Preparedness and Response Plan(Part of O&amp;M Maintenance Manual)</li> <li>• Accident Data Sheets(May 2013) for different Highway corridors of Mumbai city</li> <li>• Institutional Framework for Site Safety Team</li> <li>• Maintenance Manual for Entire Concession Period of Airoli Bridge Corridor (Sample document) ;</li> <li>• Common Loan Agreement signed between Concessionaire and Lenders;</li> <li>• Concession Agreement signed between Concessionaire and MSRDC</li> <li>• Project Information Memorandum (PIM);</li> </ul> <p>As informed by Concessionaire during site visit, all the applicable statutory clearances from competent authorities were obtained by MSRDC during pre-construction/construction stage of project. Concessionaire's responsibility is only to operate and maintain the constructed facility during concession period of 16 years.</p> <p><b><u>Social Safeguards:</u></b> The Social safeguard due diligence study for the project was undertaken based on the review of Project Information Memorandum, discussion with the concessionaire and site visit observation.</p> <p>Generally a project comes to IIFCL after the technical</p>

		<p>closure and prior to the financial closure, where preparation of all the documents like PIM, EIA land acquisition and compensation etc. have been initiated and finalized by the Concessioneing Authority where IIFCL have a very limited role to play.</p> <p>Generally due diligence for a project conducted based on the available documents like PIM EIA, Permits &amp; clearances, Land acquisition and compensation etc., verification of pending litigation cases (if any) and discussions during the site visit was also carried out for the project.</p> <p>However, As documented in the ESDDR, the project does not involve any land acquisition. The project scope includes Collection of Toll at five Mumbai Entry Points at prescribed rates along with operation and maintenance of 27 flyovers and allied structures.</p> <p>The project does not involve any Resettlement. The project does not involve any IP.</p>
8.	What were the main environmental, involuntary resettlement and indigenous peoples issues associated with this subproject that were identified through due diligence conducted by your organization, and how were the issues dealt with (i.e., outcome of due diligence)?	<p><b><u>Environmental Safeguards:</u></b></p> <p>During ESDDR preparation, no environmental issues were identified for addressal in MEP Infrastructure project.</p> <p>The following documents, as received from M/s. MEPIPL, has been reviewed for annual audit purpose:</p> <ul style="list-style-type: none"> <li>• Sample Copies of SPCB's consents as obtained by maintenance contractors during O&amp;M Phase ( for Bituminous Concrete work/ stone metal crushing/ Ready Mix Concrete work)</li> <li>• Document detailing Environment Management and Health, Safety measures implemented by Project Developer during operation phase (like Plantation, Labour &amp; Road Safety details with site photographs)</li> <li>• Accident/Incident data for the period from January 2016 to December 2016</li> <li>• Daily Feedback/ Customer Complaint's data with complaint details and actions taken for the Period from January 2016 to May 2016</li> <li>• Organogram of project team including staff under Safety Division</li> <li>• Monthly Progress Reports submitted to MSRDC's Independent Engineer by M/s. MEP for the Period of January 2016 to January 2017 providing details of Periodic/routine road maintenance activities including plantation, safety measures implementation with photographic proof and Monthly Accident data</li> </ul>




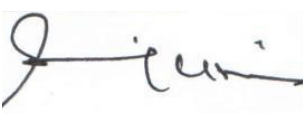
	<p>For the purpose of annual audit related to Environmental safeguards implementation at site, following confirmations has been provided by the developer:</p> <ul style="list-style-type: none"> <li>• Project developer has confirmed that all statutory approvals required for road repairing/maintenance job of MEP Infrastructure project, are obtained directly by sub- Contractors executing that particular maintenance job (required for Bituminous Concrete works only). Work is awarded to a Contractor only after adequate scrutiny of his documents.</li> <li>• Project developer has confirmed that no complaints received from general public regarding environmental safeguards issues in project stretch during reporting period.</li> <li>• Project developer has provided road &amp; traffic safety measures in project stretch like Safety signage, Road safety Barricades, lighting arrangements etc.</li> <li>• Related to road/Toll operations, General public complaints mechanism and MEP contact center for feedback has been established in project for which replies/resolutions are provided.</li> <li>• Related to O&amp;M Maintenance of project road stretch, project developer has awarded the job of routine/periodic maintenance to different agencies for which details of activities are given in monthly progress reports.</li> <li>• Monthly accident/incident data is recorded and reported in monthly progress reports. To oversee safety aspects in project stretch, project developer is maintaining safety team.</li> </ul> <p>During review of safeguards documents for reporting period, no environmental issues were identified for addressal in MEP Infrastructure project.</p> <p><b><u>Social Safeguards:</u></b> The project has been financed by IIFCL under Takeout Finance Scheme under which only those projects are financed which are in operation for more than one year. The project was already in operation stage during the due diligence study. It was noted during the due diligence study that the project scope only involves collection of Toll at five Mumbai Entry Points at prescribed rates along with operation and maintenance of 27 flyovers and allied structures.</p> <p>The project did not involve any land acquisition and resettlement issues. Thus, no social safeguard issues were involved in the project.</p> <p>Based on the review of documents and reports, it can be concluded that,</p> <ul style="list-style-type: none"> <li>• The project did not involve any land acquisition and the currently the project is in operation stage.</li> </ul>
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**MEP Infrastructure Road Pvt. Ltd.**

		<ul style="list-style-type: none"> <li>• No tribal people are affected</li> <li>• The project did not have any social safeguard issues during the reporting period.</li> </ul>
9.	Did you discuss with the Lead Bank the applicable environmental and social safeguard requirements and their implementation?	<p>MEP Infrastructure Pvt. Ltd. project has been in operational stage before IIFCL's exposure as the project scope is limited to Toll collection and O&amp;M maintenance of 27 flyovers and five entry points of Mumbai city, so the project doesn't seem to have potential environmental and social safeguards issues.</p> <p>As a general practice in every project, Lender's consortium meets take place on periodic basis in which Project's physical &amp; financial progress is discussed including critical environmental &amp; social safeguards issues, if any.</p>
10.	For category A subproject, were safeguards related documents such as EIA, RP and IPP, or audit reports made publicly available, in addition to posting on ADB's website?	<p>The sub-project doesn't fall under category A as per ADB's safeguards requirements.</p> <p>(If yes, please provide website link and the date the documents were uploaded.)</p>
11.	Were any conditions or covenants related to environmental and social issues made along with the investment?	<p>The compliance to the applicable laws of land is included as a covenant in the loan agreement signed by the Lead Bank and other consortium members with the Concessionaire.</p> <p>(If yes, please briefly describe.)</p>
12.	Does the investment comply with applicable government requirements?	Yes
13.	Does the investment comply with applicable DFI safeguard requirements?	Yes

# ANNEX E-17: PERIODIC ENVIRONMENTAL AND SOCIAL PERFORMANCE REPORT FOR SUBPROJECTS APPROVED UNDER ADB'S LINE OF CREDIT, AIIFI (PRR-I)

Please provide responses to the questions below. Please include additional sheets or attachments as required to provide details on questions that have been answered Yes. IIFCL is required to submit the periodic performance report to DFIs (see footnote below)<sup>1</sup>. This format is only for guidance and could be improved.

<b>Name of Organization</b>	India Infrastructure Finance Company Limited (IIFCL), New Delhi	
<b>Name of Sub-project</b>	Widening and Improvement of existing 4 lane to 6-lane from Etawah to Chakeri (km. 323.475 to km.483.687) section of NH-2 in the state of Uttar Pradesh under NHDP Phase-V through public, private partnership (PPP) on design and built-finance-operate and Transfer (DBFOT) Toll basis.	
<b>Name of Sub-project Developer</b>	Etawah Chakeri (Kanpur) Highways Pvt. Ltd.	
<b>Reporting Period</b>	From January 2016 to January 2017	
<b>Audit Activity</b>	<b>Name &amp; Designation</b>	<b>Signature</b>
Prepared by	Mr. Krupasindhu Guru Assistant General Manager (Social Safeguard Specialist)	
	Dr. Ruchi Malik Assistant General Manager (Environment Specialist) ESMU, IIFCL	
Reviewed By	Dr S. S. Garg General Manager & Head, ESMU	
Approved by & Senior Staff with overall responsibility for ESMS implementation	Mr. Sanjeev Ghai Chief General Manager	

## A. Environmental and Social Management System (ESMS)

Sr. No.	Policies & Processes	Yes/No	
1.	Has your organization developed and implemented an ESMS?	Yes	<p>ESSF was adopted by IIFCL in October 2008 which was subsequently revised in November, 2010 and July 2013 and Addendum to the ESSF for World Bank financed projects was issued in year 2014. The latest revised ESSF of February 2016 is available on IIFCL's website (<a href="http://www.iifcl.org/WriteReadData/userfiles/file/Final%20ESSF%20Feb%202016%2023_5_2016%20(1).pdf">http://www.iifcl.org/WriteReadData/userfiles/file/Final%20ESSF%20Feb%202016%2023_5_2016%20(1).pdf</a>)</p> <p>(If yes, please attach a copy of the ESMS to this report. Please indicate the date that the ESMS was established.)</p>

<sup>1</sup> Reporting requirements outlined here pertained to ADB. Other DFIs also have similar requirements.

**Etawah Chakeri (Kanpur) Highways Pvt. Ltd.**

2.	If there is an ESMS already in place, have there been any updates to the ESMS or policy and procedures adopted by your organization during the reporting period?	Yes	<p>Based on ESMU's operational experience &amp; current practices, ESSF has been further revised which is in alignment with Govt. of India Guidelines/Regulations. During February 2016, Latest revised ESSF was approved by IIFCL Board which has been further shared with DFI's during May 2016. Weblink for the same is given above.</p> <p>(If yes, please provide a copy of the updates including dates and reasons for the same.)</p>																									
3.	Has senior management signed off on the updated policy/ procedure?	Yes	<p>Latest revised ESSF has been approved by IIFCL Board on 23<sup>rd</sup> February, 2016.</p> <p>(If yes, please provide the date and internal communication indicating the same.)</p>																									
4.	Has your organization appointed staff tasked to implement the ESMS?	Yes	<p>Environmental and Social Safeguards Management Unit (ESMU) has been set up at IIFCL in 2010 to fulfil the environmental &amp; social safeguard commitments based on ESSF guidelines.</p> <p>The ESMU is headed/ coordinated by a qualified full-time staff of IIFCL and currently two full-time environmental safeguards specialists and one full-time social safeguards specialist are engaged. The details of the ESMU team as on 31<sup>st</sup> January, 2017 are given below:</p> <table><tr><th>Sl. No</th><th>Name of Employee</th><th>Designation</th><th>Qualification</th><th>Experience in relevant field</th></tr><tr><td>1.</td><td>Dr. S. S. Garg</td><td>General Manager</td><td>Doctorate in Environmental Sciences, Diploma in Industrial Safety, Lead Auditor for ISO 14001 and OHSAS18001</td><td>22 yrs</td></tr><tr><td>2.</td><td>Dr. Ruchi Malik</td><td>Assistant General Manager - Environment Specialist</td><td>Doctorate in Environmental Sciences</td><td>15 yrs</td></tr><tr><td>3.</td><td>Dr. Rashmi Kadian</td><td>Assistant General Manager - Environment Specialist</td><td>Doctorate in Environmental Sciences</td><td>14 yrs</td></tr><tr><td>4.</td><td>Mr. Krupasindhu Guru</td><td>Assistant General Manager - Social Specialist</td><td>Masters in Economics, Masters in Journalism, and LLB</td><td>15 yrs</td></tr></table> <p>(IF yes, please provide information on number of staff and qualification (experience and education background) to implement the ESMS.)</p>	Sl. No	Name of Employee	Designation	Qualification	Experience in relevant field	1.	Dr. S. S. Garg	General Manager	Doctorate in Environmental Sciences, Diploma in Industrial Safety, Lead Auditor for ISO 14001 and OHSAS18001	22 yrs	2.	Dr. Ruchi Malik	Assistant General Manager - Environment Specialist	Doctorate in Environmental Sciences	15 yrs	3.	Dr. Rashmi Kadian	Assistant General Manager - Environment Specialist	Doctorate in Environmental Sciences	14 yrs	4.	Mr. Krupasindhu Guru	Assistant General Manager - Social Specialist	Masters in Economics, Masters in Journalism, and LLB	15 yrs
Sl. No	Name of Employee	Designation	Qualification	Experience in relevant field																								
1.	Dr. S. S. Garg	General Manager	Doctorate in Environmental Sciences, Diploma in Industrial Safety, Lead Auditor for ISO 14001 and OHSAS18001	22 yrs																								
2.	Dr. Ruchi Malik	Assistant General Manager - Environment Specialist	Doctorate in Environmental Sciences	15 yrs																								
3.	Dr. Rashmi Kadian	Assistant General Manager - Environment Specialist	Doctorate in Environmental Sciences	14 yrs																								
4.	Mr. Krupasindhu Guru	Assistant General Manager - Social Specialist	Masters in Economics, Masters in Journalism, and LLB	15 yrs																								

**Etawah Chakeri (Kanpur) Highways Pvt. Ltd.**

5.	Please give details of any transactions rejected due to environmental and/or social concerns.	No	<p>During the reporting period (January 2016 – January 2017) one transaction i.e. GVK Bagodara Vasad Expressway Private Limited was replaced due to environmental concerns.</p> <p>The validity of environmental clearance got expired for this project. As the sub-project did not possess a valid EC, it was found to be non-compliant and recommended for removal from approved list of sub-projects and replaced by a compliant sub-project.</p>
6.	Please state any difficulties and/or constraints related to the implementation of the ESMS.		<p>One of the pre requisites for getting funding (multilateral/bilateral financial institutions like World Bank, Asian Development Bank, and European Investment Bank) under line of credit is the evaluation of the subprojects on environmental and social issues. The ESSF of IIFCL provides an enabling mechanism to IIFCL to meet environmental and social safeguard requirements associated with sub-projects.</p> <p>As per the mandate, IIFCL finances upto 20% of project cost thus, IIFCL is a minor partner in the consortium. IIFCL follows the ESSF, whereas the other lending partners do not have such safeguard framework.</p> <p>The environmental and social safeguard requirement of any infrastructure project requires screening of vast quantum of data / information / statutory approvals / permits / periodic compliance monitoring reports etc. as per National safeguards requirements. Extracting this information from the developer is a time consuming process and is a challenging task.</p>
7.	Please describe how you ensure that your clients and their investments are operated in compliance with the national laws and regulations and applicable DFI's safeguard requirements.		<p>In the Common Loan Agreement for each project funded by IIFCL, certain covenants are always put up reflecting concessionaire's liability to comply with applicable laws of land as required for project implementation.</p> <p>The safeguard compliance status of the project is examined during the due diligence study of the project. After the approval of the project by the DFIs, ESMU conducts annual audit of the projects to review whether the projects are operated in compliance with the applicable laws and regulations.</p> <p>To ensure compliance with DFIs safeguards requirements reports on implementation of EMP, reports on monitoring of environmental quality parameters, status of labour and safety management at project site, Periodic LIE reports and six monthly compliance reports submitted to MoEFCC are generally shared by developer with IIFCL. The borrowers also engage EHS Corodinator/safety officers/engineers to look after the safety, health and environment related aspects.</p>
8.	Please give details of any material social and environmental issues associated with clients during the		<p>The environmental safeguards requirement of any infrastructure project requires screening of vast quantum of data / information / statutory approvals / permits / periodic</p>

**Etawah Chakeri (Kanpur) Highways Pvt. Ltd.**

	reporting period in particular.		<p>compliance monitoring reports etc. as per National safeguards requirements. Extracting this information from the developer is a time consuming process and is a challenging task.</p> <p>In case of social safeguards, no such issues were associated with the subproject during the reporting period.</p>
9.	In case the existing ESMS is not fully functional, what are the action plan being implemented by your organization?		<p>Presently, existing ESMU is functional.</p> <p>(Please provide information or cite recommendation made by DFI's review mission to improve the ESMS and its implementation.)</p>
	<b>Capacity</b>	<b>Yes/No</b>	
10.	Please provide the name and contact information of the senior staff who has the overall responsibility for the implementation of ESMS.	Yes	<p>Mr Sanjeev Ghai, Chief General Manager has the overall responsibility for the implementation of ESSF. His contact information is provided below:</p> <p>Telephone : +91 11 23450263, 23450261(Direct); Email : <a href="mailto:sanjeevghai@iifcl.org">sanjeevghai@iifcl.org</a></p> <p>(Please describe the training or learning activities the Environmental/Social Officer or Coordinator attended during the year.)</p>
11.	Please provide current staffing of other core ESMS persons in the organization involved with ESMS implementation.	Yes	<p>Please refer Section A, point no. 4 for details of ESMU persons of IIFCL.</p> <p>Please find attached details of Training programmes attended by ESMS Staff during reporting period of January 2016 to January 2017 as <b>Annexure-I</b>.</p> <p>(Please describe the training provided to the ESMS persons and other team members during the year.)</p>
12.	What was the budget allocated to the ESMS and its implementation during the year?	Yes	<p>ESMU is the core team of IIFCL and requisite budgetary provision is a part of IIFCL's overall budget.</p> <p>(Please provide budget details including staff costs and training as well as any actual costs.)</p>
	<b>Monitoring</b>		
13.	Do you receive environmental and social monitoring reports from Lead Banks/Borrowers?	Yes	<p>The project is monitored through Lenders Engineer's reporting. The Lender's Independent Engineer is appointed by the Lead Bank of the Lender's Consortium to monitor the physical, financial progress and the compliance of various regulatory requirements. LIE reports are provided by the Lead Bank to the IIFCL. The LIE reports generally cover areas related to statutory approval status, forest diversion, tree cutting status, safety management, land acquisition status and pending litigation etc.</p> <p>From Borrowers, IIFCL receives reports on implementation of EMP, reports on monitoring of environmental quality parameters, status of safety management at project site and six monthly compliance reports submitted to MoEFCC, Statutory Permitting status, Institutional arrangement, Accident/Incident data etc..</p> <p>(If yes, please describe and provide supporting documents including any social and environmental considerations if applicable.)</p>
14.	Do you check for ongoing compliance of your clients with national regulation and any other requirements?	Yes	<p>During the environmental and social due diligence study and subsequent audit, the compliance of the project with the applicable regulation is checked with available documentation. For projects having critical issues related to</p>

**Etawah Chakeri (Kanpur) Highways Pvt. Ltd.**

			<p>Safeguards compliance, The site visit is carried out by ESMU for field verification &amp; monitor the Implementation progress.</p> <p>(If yes, please describe the process including any social and environmental considerations if applicable.)</p>
15.	Please describe how you monitor the clients and their investments social and environmental performance.		<p>The social and environmental performances are checked during the preparation of Environmental and Social Due Diligence Report and annual audit. Each approved project is evaluated for its environmental and social safeguard compliance performance against the applicable safeguard requirements at the time of annual audit. The compliance status is also assessed through the LIE report which covers the statutory approval status, forest diversion, tree cutting status, safety management, land acquisition, shifting of common property resources status and pending litigation etc; reports on implementation of EMP, reports on monitoring of environmental parameters, status of safety management, six monthly compliance reports and through site visits.</p> <p>Out of the 16 sub-projects approved under AIIFI Line of credit, site visits were conducted for three sub-projects in the year 2016 and two projects were visited at the end of 2015 for the purpose of ESDDR preparation. Three sub-projects undergoing construction phase, were also visited in the year 2016 for annual audit purpose. Projects which achieved COD during reporting period &amp; approved under Takeout Finance scheme by ADB, were not considered necessary for site visit as there are no pending or critical issues found. For such cases, safeguards audit reports have been prepared based on review of safeguards compliance information/records related to project and discussions with project developer team.</p> <p>(Please describe and provide supporting documents such as environmental and social monitoring reports and please provide information on the number of subprojects where a field visit was conducted by staff to review aspects including social and environmental issues.)</p>
16.	<p>Please provide details of any accidents/litigation/complaints /regulatory notices and fines:</p> <ul style="list-style-type: none"> <li>- Any incidents of non-compliance with the applicable Environmental and Social Requirements</li> <li>- Covenants/conditionalities imposed by IIFCL to the client as a result of any non-compliance</li> </ul>		The project specific details are provided in Section 'C'.
	<b>Reporting</b>		
17.	Is there an internal process to report on social and environmental issues to Senior management?	Yes	<p>The ESDDR (one time document) and Audit sheets are approved by the Senior Management.</p> <p>The ESDDR is a detailed due-diligence report on environmental &amp; social safeguards and annual audit sheet is reported in the present format in which this environmental and social performance report has been prepared.</p> <p>(If yes, please explain the process, reporting format and frequency and actions taken if any.)</p>
18.	Do you prepare any social and	Yes	ESMU prepares Environment and Social Due Diligence

## Etawah Chakeri (Kanpur) Higways Pvt. Ltd.

	<p>environmental reports:</p> <ul style="list-style-type: none"> <li>- For other multilateral agencies</li> <li>- Other stakeholders</li> <li>- E&amp;S reporting in the Annual Report</li> <li>- Sustainability reports</li> </ul>		<p>report for the projects which are posed to other DFIs to draw down, under their line of credit. IIFCL's annual report also reports on the ESSF since the year 2008-09 and ESMU since its inception in the year 2009-10.</p> <p>The Annual Reports are uploaded on IIFCL website and weblink for the same is given below:</p> <p><a href="http://www.iifcl.org/Content/report.aspx?mid=17&amp;bid=2&amp;cid=1">http://www.iifcl.org/Content/report.aspx?mid=17&amp;bid=2&amp;cid=1</a></p> <p>(If yes, please provide copies of these reports.)</p>
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### B. Activities on DFI's Prohibited Investment Activities List

1.	If any, please indicate the dollar percentage of loans or investments out of your total outstanding exposure provided to clients who are substantially involved in DFI's Prohibited Investment Activities List (Refer to Annexure V of SPS 2009).	Not applicable, since, IIFCL does not finance in activities as per prohibited investment list.
2.	If the percentage is not zero, please explain these exposures and any steps having been taken to reduce such exposure.	Not applicable

### C. Subprojects Using DFI Funds

Please provide information about all new investments using DFI funds approved during this reporting period.

1.	Name of Subproject:	<p>Sub-project Developer: Etawah Chakeri (Kanpur) Higways Pvt. Ltd.</p> <p>Sub-project: Widening and Improvement of existing 4 lane to 6-lane from Etawah to Chakeri (km. 323.475 to km. 483.687) section of NH-2 in the state of Uttar Pradesh under NHDP Phase-V through public, private partnership (PPP) on design and built-finance-operate and Transfer (DBFOT) Toll basis.</p>
2.	Location:	The Project Highway starts at km 323.475 at the end of Etawah bypass and ends near Chakeri at km 483.687 on the Agra-Etawah-Kanpur-Allahabad Section of NH-2.
3.	Sector:	Highways and Roads
4.	Total loan from IIFCL/DFI (US\$ MN):	32.63 USD Million
5.	Safeguard category: (Annex E-3)	<p>Environment Impacts category: B</p> <p>No Indigenous People are involved in this project</p> <p>No Rehabilitation and resettlement are involved in this project.</p> <p>Further, this project road is Widening and Improvement of existing 4 lane to 6-lane. Moreover, land acquisition was initiated prior to IIFCL's involvement after the Gazette Notification was published.</p> <p>As documented in the ESDDR, the major portion of land acquisition was completed during the time of 4 laning of the project so no substantial resettlement impact of any private structures like; residential, commercial, residential cum commercial structures are</p>

**Etawah Chakeri (Kanpur) Highways Pvt. Ltd.**

		<p>being affected due to the 6 laning of the sub-project. Further, it is also confirmed by the concessionaire and observed during the site visit that no kiosks/khokha is affected due to strengthening of the subproject and does not involve any physical displacement.</p> <p>As documented in the ESDDR no Indigenous people were involved in the project.</p>
6.	Were any environmental and social due diligence undertaken by your organization?	<p>Yes, Environmental and Social Due Diligence (ESDD) study was carried out by the ESMU of IIFCL based on the review of information/Documents/NOCs/Consents/Permissions and field verification during site visit (10<sup>th</sup>-11<sup>th</sup> July, 2014).</p> <p>The sub-project has been approved by ADB in September, 2014.</p> <p>For annual audit purposes, Site visit was conducted by ESMU Staff for verification of safeguards measures implementation at project site during 22<sup>nd</sup> July 2016 and review of safeguards information has also been done for the period January – December 2015 and January 2016 –January 2017 as part of audit activity.</p> <p>(If yes, provide information on due diligence activities, such as desk review of safeguard documents, and field visit, and by whom.)</p>
7.	Any environmental assessment report (including environmental management plan), involuntary resettlement plan, or indigenous peoples plan, or audit reports reviewed by your organization?	<p>The Environmental and Social Safeguard Due-Diligence study was carried out for the sub-project on the basis of site visit observations and understanding project scope based on information and documents provided by the Concessionaire:</p> <p><b>Environment Safeguards:</b> The following documents were referred/reviewed in order to prepare Environmental Safeguards Due-Diligence Report:</p> <ul style="list-style-type: none"> <li>(i) EIA/EMP as prepared by Consulting Engineers Group Ltd.;</li> <li>(ii) Project Environmental Management Plan</li> <li>(iii) Project's statutory clearances/consents/ approvals and permits</li> <li>(iv) Environmental Parameters Monitoring reports</li> <li>(v) Project HSE documents</li> <li>(vi) Details of overall traffic and road safety measures being implemented in the sub project;</li> <li>(vii) Progress Review Reports prepared by Unihorn (India) Pvt. Ltd.</li> <li>(viii) Concession Agreement</li> <li>(ix) EPC Contract Documents;</li> <li>(x) Project Information Memorandum</li> </ul> <p><b>Social Safeguards:</b> The following documents were referred/reviewed in order to prepare Social Safeguards Due-Diligence Report:</p> <ul style="list-style-type: none"> <li>• As informed by the developer, no tribal families are getting affected due to the sub project;</li> <li>• Feasibility Report;</li> <li>• Project Information Memorandum;</li> <li>• Concession Agreement;</li> <li>• Engineering Procurement and Construction Agreement;</li> <li>• Lender's Independent Engineer's report, September 2015;</li> </ul>

		<ul style="list-style-type: none"> <li>• Gazette Notification for land acquisition</li> </ul> <p>(If yes, please provide the names of documents reviewed.)</p>
8.	<p>What were the main environmental, involuntary resettlement and indigenous peoples issues associated with this subproject that were identified through due diligence conducted by your organization, and how were the issues dealt with (i.e., outcome of due diligence)?</p>	<p><b>Environment Safeguards:</b></p> <p>During ESDDR preparation, no environmental issues were identified for addressal in the project.</p> <p>The following documents were reviewed for the purpose of annual audit:</p> <ul style="list-style-type: none"> <li>(i) EIA/EMP as prepared by Consulting Engineers Group Ltd.;</li> <li>(ii) Project Environmental Management Plan;</li> <li>(iii) Project's statutory clearances/consents/ approvals and permits;</li> <li>(iv) Monthly Project Progress Report which includes Monthly Safety and Environmental Management Report and summary of accident/incident data, Details of Safety Trainings/Tool Box Talks/Safety Inspection/Audits/Labour Camp Facilities &amp; Health Checkup details/Environmental Monitoring (January 2016 to December 2016);</li> <li>(v) Six Monthly Compliance reports submitted to MoEFCC w.r.t. conditions stipulated in Environment clearance Letter for the year 2016 (For the period of Jan. 2016 to June 2016 and July 2016 to December 2016)</li> <li>(vi) Environmental Quality Monitoring reports(March, June, September 2016);</li> <li>(vii) Details for Institutional arrangement for HSE Management</li> <li>(viii) Summary of Monthly Accident/Incident Data( From January 2016 to December 2016)</li> <li>(ix) Details of overall traffic and road safety measures being implemented in the sub project;</li> <li>(x) Progress Review Reports prepared by LIE Unihorn (India) Pvt. Ltd. (September 2016);</li> <li>(xi) Details of rehabilitation measures for quarry and borrow are management;</li> <li>(xii) NHAI's Safety Consultant's Reports March &amp; April 2017</li> </ul> <p>Following are the observations / outcome of the review of documents / information for annual audit:</p> <ul style="list-style-type: none"> <li>• During July 2016 site visit, project six-laning road work was found to be complete and only service road work was pending. In 60% of project stretch, there is provision of longitudinal concrete drainage and service roads along the residential/town areas falling along the project stretch.</li> <li>• Median Plantation work is completed in most of the stretch and avenue plantation work under progress with 24000 no. of tree plantation completed till July 2016. Regular median maintenance work is in progress.</li> <li>• Rain Water harvesting structures has been developed alongside the project road as per approved plan. Pretreatment has been provided to remove suspended matter, oil &amp; grease before recharging the surface runoff.</li> <li>• Fly ash procured from Kanpur Thermal Power Plant has been used in the project concreting work and Pond Ash has been used for embankment fill material. Muck material has been used during</li> </ul>

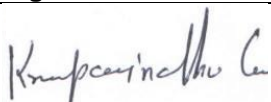


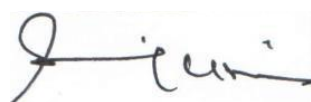
		<p>the maintenance of access road.</p> <ul style="list-style-type: none"> <li>• Project has deployed HSE Staff for Safety and EMP implementation during project development.</li> <li>• Project developer informed that few underpasses and service road were constructed on demand of local inhabitants.</li> <li>• Borrow areas used for the project were redeveloped as per approved plan and left in cultivable state.</li> <li>• Project developer conducts safety meetings on monthly basis and also conducts safety awareness programs by celebrating safety week and distributing pamphlets to road users. Highway Traffic Management System (HTMS) has been developed in the project for Traffic and Road Safety Management.</li> <li>• Any kind of hazardous waste generated in the project has been handed over to Govt. approved vendor for handling Hazardous Wastes. Concrete waste generated in the project has been used in construction of Village roads and Milling Machines has been used for recycling of Bituminous waste generated due to Rehabilitation and upgradation work of project road.</li> <li>• Environmental monitoring for air, soil, water and noise was carried out quarterly/ seasonally (March, June, and September 2016). The concentrations/levels of monitored parameters are found well below the prescribed standards. It is also assessed that monitoring carried out was adequate for compliance status;</li> <li>• As informed by project developer during site visit, total no. of 10786 trees have been cut due to project road widening work for which there is provision of thrice no. of trees plantation (1:3 ratio) as stipulated in EC letter conditions for this project.</li> <li>• All applicable consents/NOCs/clearances were obtained &amp; renewed timely and valid during the audit period;</li> <li>• Six monthly compliance reports were submitted to MoEFCC for compliance of EC Letter conditions for the year 2016.</li> <li>• Construction workers and project staff have been provided with necessary infrastructure facilities including water supply, food and sanitation at project site.</li> <li>• Project developer informed that major complaints in project corridor were received related to dust nuisance for which frequency of water sprinkling has been increased for mitigation.</li> <li>• Accident/incident data is analysed and appropriate measures are being taken by the developer to prevent the reoccurrence of the accident/incident. The remedial measures taken to prevent the recurrence of accidents are: deployment of flagmen at construction site, erection of LED blinkers, barricading of construction zones, use of safety cones and safety sign boards have been placed in project stretch as per guidelines of IRC SP:55 to avoid inconvenience of commuters.</li> <li>• NHAI has appointed Safety consultant to carry out safety audit of project road stretch. The major objective of this analysis report is to recommend preventive measures along the project corridor.</li> </ul> <p>During review of safeguards documents for reporting period, no environmental issues were identified for addressal in Etawah Chakeri Highways project.</p> <p><b>Social Safeguards:</b></p> <ul style="list-style-type: none"> <li>• Since the land was already available with the concessionaire, the construction work has been accommodated within the existing RoW and no additional land acquisition has been made in the built up area;</li> <li>• Borrow area have been developed as cultivable land, during the discussion the developer informed that approx. 250</li> </ul>
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**Etawah Chakeri (Kanpur) Higways Pvt. Ltd.**

		<p>Acres of barren land have been developed into cultivation land;</p> <ul style="list-style-type: none"> <li>Local people's view have been given due consideration during the project design and planning stage of the sub-projects;</li> <li>Local labours are being engaged in the construction activities for unskilled activities;</li> <li>During the discussion with the villagers, it was observed that people were generally in support of the project;</li> <li>Within the camp site the EPC contractor has maintained proper sanitation facilities of drainage, sewerage, hygiene mess facility, for drinking water they have established RO plant for the workers and their families;</li> <li>Construction workers are provided with ready access to on- or off-site health care check-up facilities and are being provided with first aid for minor injuries;</li> <li>The sub-project will improve better connectivity to the rural area by connecting through State and National Highways;</li> <li>Concessionaire has undertaken various community development activities to benefit the local people;</li> <li>Local labourers are being hired from the locality for day to day activity and construction purposes. These labourers go back to their own houses in the evening after completing day's work;</li> <li>Proper traffic diversions and appropriate signages are being provided at the site to prevent any disruption of life and the highway traffic.</li> <li>The project achieved commercial operation from NHAI vide date 20<sup>th</sup> October, 2015.</li> </ul> <p>Based on discussions with project developer and site visit observations, no major or pending social issues are found to be associated with this sub-project.</p>
9.	Did you discuss with the Lead Bank the applicable environmental and social safeguard requirements and their implementation?	On periodic basis, Lender's consortium meets take place in which Project's physical & financial progress is discussed including critical environmental & social safeguards issues, if any.
10.	For category A subproject, were safeguards related documents such as EIA, RP and IPP, or audit reports made publicly available, in addition to posting on ADB's website?	<p>Etawah Chakeri (Kanpur) Highways Pvt. Ltd. does not fall under category A as per ADB's safeguard requirements.</p> <p>(If yes, please provide website link and the date the documents were uploaded.)</p>
11.	Were any conditions or covenants related to environmental and social issues made along with the investment?	<p>The compliance to the applicable laws of land is included as a covenant in the loan agreement signed by the lead bank and other consortium members with the Concessionaire.</p> <p>(If yes, please briefly describe.)</p>
12.	Does the investment comply with applicable government requirements?	Yes
13.	Does the investment comply with applicable DFI safeguard requirements?	Yes

**FANNEX E-17: PERIODIC ENVIRONMENTAL AND SOCIAL PERFORMANCE REPORT FOR  
SUBPROJECTS APPROVED UNDER ADB'S LINE OF CREDIT, AIIFI (PFR-1)**

Please provide responses to the questions below. Please include additional sheets or attachments as required to provide details on questions that have been answered Yes. IIFCL is required to submit the periodic performance report to DFIs (see footnote below)<sup>1</sup>. This format is only for guidance and could be improved.

<b>Name of Organization</b>	India Infrastructure Finance Company Limited (IIFCL), New Delhi	
<b>Name of Sub-project</b>	Development and Operation of NH- 79 on Chittorgarh-Neemach (MP Border) Section (Km183.000 to Km 221.400) by Four Laning and Nimbahera-Partapgarh Section (Km 5.400 to Km 80.000) of NH-113 by Two Laning in the State of Rajasthan through Public-Private Partnership on Design, Build, Finance, Operate and Transfer (DBFOT) basis Under NHDP-IVB	
<b>Name of Sub-project Developer</b>	Chetak Tollways Ltd.	
<b>Reporting Period</b>	From January 2016 to January 2017	
<b>Audit Activity</b>	<b>Name &amp; Designation</b>	<b>Signature</b>
Prepared by	Mr. Krupasindhu Guru Assistant General Manager (Social Safeguard Specialist)	
	Dr. Ruchi Malik Assistant General Manager (Environment Specialist) ESMU, IIFCL	
Reviewed By	Dr S. S. Garg General Manager & Head, ESMU	
Approved by & Senior Staff with overall responsibility for ESMS implementation	Mr. Sanjeev Ghai Chief General Manager	

**A. Environmental and Social Management System (ESMS)**

Sr. No.	Policies & Processes	Yes/No	
1.	Has your organization developed and implemented an ESMS?	Yes	<p>ESSF was adopted by IIFCL in October 2008 which was subsequently revised in November, 2010 and July 2013 and Addendum to the ESSF for World Bank financed projects was issued in year 2014. The latest revised ESSF of February 2016 is available on IIFCL's website (<a href="http://www.iifcl.org/WriteReadData/userfiles/file/Final%20ESSF%20Feb%202016%2023_5_2016%20(1).pdf">http://www.iifcl.org/WriteReadData/userfiles/file/Final%20ESSF%20Feb%202016%2023_5_2016%20(1).pdf</a>)</p> <p>(If yes, please attach a copy of the ESMS to this report. Please indicate</p>

<sup>1</sup> Reporting requirements outlined here pertained to ADB. Other DFIs also have similar requirements.

			the date that the ESMS was established.)																									
2.	If there is an ESMS already in place, have there been any updates to the ESMS or policy and procedures adopted by your organization during the reporting period?	Yes	<p>Based on ESMU's operational experience &amp; current practices, ESSF has been further revised which is in alignment with Govt. of India Guidelines/Regulations. During February 2016, Latest revised ESSF was approved by IIFCL Board which has been further shared with DFI's during May 2016. Weblink for the same is given above.</p> <p>(If yes, please provide a copy of the updates including dates and reasons for the same.)</p>																									
3.	Has senior management signed off on the updated policy/ procedure?	Yes	<p>Latest revised ESSF has been approved by IIFCL Board on 23<sup>rd</sup> February, 2016.</p> <p>(If yes, please provide the date and internal communication indicating the same.)</p>																									
4.	Has your organization appointed staff tasked to implement the ESMS?	Yes	<p>Environmental and Social Safeguards Management Unit (ESMU) has been set up at IIFCL in 2010 to fulfil the environmental &amp; social safeguard commitments based on ESSF guidelines.</p> <p>The ESMU is headed/ coordinated by a qualified full-time staff of IIFCL and currently two full-time environmental safeguards specialists and one full-time social safeguards specialist. The details of the ESMU team as on 31<sup>st</sup> January, 2017 are given below:</p> <table><tr><th>Sl. No</th><th>Name of Employee</th><th>Designation</th><th>Qualification</th><th>Experience in relevant field</th></tr><tr><td>1.</td><td>Dr. S. S. Garg</td><td>General Manager</td><td>Doctorate in Environmental Sciences, Diploma in Industrial Safety, Lead Auditor for ISO 14001 and OHSAS18001</td><td>22 yrs</td></tr><tr><td>2.</td><td>Dr. Ruchi Malik</td><td>Assistant General Manager - Environment Specialist</td><td>Doctorate in Environmental Sciences</td><td>15 yrs</td></tr><tr><td>3.</td><td>Dr. Rashmi Kadian</td><td>Assistant General Manager - Environment Specialist</td><td>Doctorate in Environmental Sciences</td><td>14 yrs</td></tr><tr><td>4.</td><td>Mr. Krupasindhu Guru</td><td>Assistant General Manager - Social Specialist</td><td>Masters in Economics, Masters in Journalism, and LLB</td><td>15 yrs</td></tr></table> <p>(If yes, please provide information on number of staff and qualification</p>	Sl. No	Name of Employee	Designation	Qualification	Experience in relevant field	1.	Dr. S. S. Garg	General Manager	Doctorate in Environmental Sciences, Diploma in Industrial Safety, Lead Auditor for ISO 14001 and OHSAS18001	22 yrs	2.	Dr. Ruchi Malik	Assistant General Manager - Environment Specialist	Doctorate in Environmental Sciences	15 yrs	3.	Dr. Rashmi Kadian	Assistant General Manager - Environment Specialist	Doctorate in Environmental Sciences	14 yrs	4.	Mr. Krupasindhu Guru	Assistant General Manager - Social Specialist	Masters in Economics, Masters in Journalism, and LLB	15 yrs
Sl. No	Name of Employee	Designation	Qualification	Experience in relevant field																								
1.	Dr. S. S. Garg	General Manager	Doctorate in Environmental Sciences, Diploma in Industrial Safety, Lead Auditor for ISO 14001 and OHSAS18001	22 yrs																								
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3.	Dr. Rashmi Kadian	Assistant General Manager - Environment Specialist	Doctorate in Environmental Sciences	14 yrs																								
4.	Mr. Krupasindhu Guru	Assistant General Manager - Social Specialist	Masters in Economics, Masters in Journalism, and LLB	15 yrs																								

			(experience and education background) to implement the ESMS.)
5.	Please give details of any transactions rejected due to environmental and/or social concerns.	No	<p>During the reporting period (January 2016 – January 2017) one transaction i.e. GVK Bagodara Vasad Expressway Private Limited was replaced due to environmental concerns.</p> <p>The validity of environmental clearance got expired for this project. As the sub-project did not possess a valid EC, it was found to be non-compliant and recommended for removal from approved list of sub-projects and replaced by a compliant sub-project.</p>
6.	Please state any difficulties and/or constraints related to the implementation of the ESMS.		<p>One of the pre requisites for getting funding (multilateral/bilateral financial institutions like World Bank, Asian Development Bank, and European Investment Bank) under line of credit is the evaluation of the subprojects on environmental and social issues. The ESSF of IIFCL provides an enabling mechanism to IIFCL to meet environmental and social safeguard requirements associated with sub-projects.</p> <p>As per the mandate, IIFCL finances upto 20% of project cost or 80% of the lead bank share whichever is lower, thus, IIFCL is a minor partner in the consortium. IIFCL follows the ESSF, whereas the other lending partners do not have such safeguard framework.</p> <p>The environmental and social safeguard requirement of any infrastructure project requires screening of vast quantum of data / information / statutory approvals / permits / periodic compliance monitoring reports etc. as per National safeguards requirements. Extracting this information from the developer is a time consuming process and is a challenging task.</p>
7.	Please describe how you ensure that your clients and their investments are operated in compliance with the national laws and regulations and applicable DFI's safeguard requirements.		<p>In the Common Loan Agreement for each project funded by IIFCL, certain covenants are always put up reflecting concessionaire's liability to comply with applicable laws of land as required for project implementation.</p> <p>The safeguard compliance status of the project is examined during the due diligence study of the project. After the approval of the project by the DFIs, ESMU conducts annual audit of the projects to review whether the projects are operated in compliance with the applicable laws and regulations.</p> <p>To ensure compliance with DFIs safeguards requirements reports on implementation of EMP, reports on monitoring of environmental quality parameters, status of labour and safety management at project site, Periodic LIE reports and six monthly compliance reports submitted to MoEF are generally shared by developer with IIFCL. The borrowers also engage EHS Corodinator/safety officers/engineers to look after the safety, health and environment related aspects.</p>
8.	Please give details of any material		The environmental safeguards requirement of any

	social and environmental issues associated with clients during the reporting period in particular.		<p>infrastructure project requires screening of vast quantum of data / information / statutory approvals / permits / periodic compliance monitoring reports etc. as per National safeguards requirements. Extracting this information from the developer is a time consuming process and is a challenging task.</p> <p>In case of social safeguards, no such issues were associated with the subproject during the reporting period.</p>
9.	In case the existing ESMS is not fully functional, what are the action plan being implemented by your organization?		<p>Presently, existing ESMU is functional.</p> <p>(Please provide information or cite recommendation made by DFI's review mission to improve the ESMS and its implementation.)</p>
	<b>Capacity</b>	<b>Yes/No</b>	
10.	Please provide the name and contact information of the senior staff who has the overall responsibility for the implementation of ESMS.	Yes	<p>Mr Sanjeev Ghai, Chief General Manager has the overall responsibility for the implementation of ESSF. His contact information is provided below:</p> <p>Telephone : +91 11 23450263, 23450261(Direct); Email : <a href="mailto:sanjeevghai@iifcl.org">sanjeevghai@iifcl.org</a></p> <p>(Please describe the training or learning activities the Environmental/Social Officer or Coordinator attended during the year.)</p>
11.	Please provide current staffing of other core ESMS persons in the organization involved with ESMS implementation.	Yes	<p>Please refer Section A, point no. 4 for details of ESMU persons of IIFCL.</p> <p>Please find attached details of Training programmes attended by ESMS Staff during reporting period of January 2016 to January 2017 as <b>Annexure-I</b>.</p> <p>(Please describe the training provided to the ESMS persons and other team members during the year.)</p>
12.	What was the budget allocated to the ESMS and its implementation during the year?	Yes	<p>ESMU is the core team of IIFCL and requisite budgetary provision is a part of IIFCL's overall budget.</p> <p>(Please provide budget details including staff costs and training as well as any actual costs.)</p>
	<b>Monitoring</b>		
13.	Do you receive environmental and social monitoring reports from Lead Banks/Borrowers?	Yes	<p>The project is monitored through Lenders Engineer's reporting. The Lender's Independent Engineer is appointed by the Lead Bank of the Lender's Consortium to monitor the physical, financial progress and the compliance of various regulatory requirements. LIE reports are provided by the Lead Bank to the IIFCL. The LIE reports generally cover areas related to statutory approval status, forest diversion, tree cutting status, safety management, land acquisition status and pending litigation etc.</p> <p>From Borrowers, IIFCL receives reports on implementation of EMP, reports on monitoring of environmental quality parameters, status of safety management at project site and six monthly compliance reports submitted to MoEF, Statutory Permitting status, Institutional arrangement, Accident/Incident data etc..</p> <p>(If yes, please describe and provide supporting documents including any social and environmental considerations if applicable.)</p>
14.	Do you check for ongoing compliance of your clients with	Yes	During the environmental and social due diligence study and subsequent audit, the compliance of the project with

	national regulation and any other requirements?		<p>the applicable regulation is checked with available documentation. For projects having critical issues related to Safeguards compliance, The site visit is carried out by ESMU for field verification &amp; monitor the Implementation progress.</p> <p>(If yes, please describe the process including any social and environmental considerations if applicable.)</p>
15.	Please describe how you monitor the clients and their investments social and environmental performance.		<p>The social and environmental performances are checked during the preparation of Environmental and Social Due Diligence Report and annual audit. Each approved project is evaluated for its environmental and social safeguard compliance performance against the applicable safeguard requirements at the time of annual audit. The compliance status is also assessed through the LIE report which covers the statutory approval status, forest diversion, tree cutting status, safety management, land acquisition, shifting of common property resources status and pending litigation etc; reports on implementation of EMP, reports on monitoring of environmental parameters, status of safety management, six monthly compliance reports and through site visits.</p> <p>Out of the 16 sub-projects approved under AIIFI Line of credit, site visits were conducted for three sub-projects in the year 2016 and two projects were visited at the end of 2015 for the purpose of ESDDR preparation. Three sub-projects undergoing construction phase, were also visited in the year 2016 for annual audit purpose. Projects which achieved COD during reporting period &amp; approved under Takeout Finance scheme by ADB, were not considered necessary for site visit as there are no pending or critical issues found. For such cases, safeguards audit reports have been prepared based on review of safeguards compliance information/records related to project and discussions with project developer team.</p> <p>(Please describe and provide supporting documents such as environmental and social monitoring reports and please provide information on the number of subprojects where a field visit was conducted by staff to review aspects including social and environmental issues.)</p>
16.	<p>Please provide details of any accidents/litigation/complaints /regulatory notices and fines:</p> <ul style="list-style-type: none"> <li>- Any incidents of non-compliance with the applicable Environmental and Social Requirements</li> <li>- Covenants/conditionalities imposed by IIFCL to the client as a result of any non-compliance</li> </ul>		The project specific details are provided in Section 'C'.
	<b>Reporting</b>		
17.	Is there an internal process to report on social and environmental issues to Senior management?	Yes	<p>The ESDDR (one time document) and Audit sheets are approved by the Senior Management.</p> <p>The ESDDR is a detailed due-diligence report on environmental &amp; social safeguards and annual audit sheet is reported in the present format in which this environmental and social performance report has been prepared.</p> <p>(If yes, please explain the process, reporting format and frequency and</p>

			actions taken if any.)
18.	Do you prepare any social and environmental reports: <ul style="list-style-type: none"> <li>- For other multilateral agencies</li> <li>- Other stakeholders</li> <li>- E&amp;S reporting in the Annual Report</li> <li>- Sustainability reports</li> </ul>	Yes	<p>ESMU prepares Environment and Social Due Diligence report for the projects which are posed to other DFIs to draw down, under their line of credit. IIFCL's annual report also reports on the ESSF since the year 2008-09 and ESMU since its inception in the year 2009-10.</p> <p>The Annual Reports are uploaded on IIFCL website and weblink for the same is given below:</p> <p><a href="http://www.iifcl.org/Content/report.aspx?mid=17&amp;bid=2&amp;cid=1">http://www.iifcl.org/Content/report.aspx?mid=17&amp;bid=2&amp;cid=1</a></p> <p>(If yes, please provide copies of these reports.)</p>

**B. Activities on DFI's Prohibited Investment Activities List**

1.	If any, please indicate the dollar percentage of loans or investments out of your total outstanding exposure provided to clients who are substantially involved in DFI's Prohibited Investment Activities List (Refer to SPS Annexure V).	Not applicable, since, IIFCL does not finance in activities as per prohibited investment list.
2.	If the percentage is not zero, please explain these exposures and any steps having been taken to reduce such exposure.	Not applicable

**C. Subprojects Using DFI Funds**

Please provide information about all new investments using DFI funds approved during this reporting period.

1.	Name of Sub-project:	<p>Sub-project Developer: <b>Chetak Tollways Ltd.</b></p> <p>Sub-project: Development and Operation of NH-79 on Chittorgarh-Neemach (MP Border) Section (Km183.000 to Km 221.400) by Four Laning and Nimbahera-Partapgarh Section (Km 5.400 to Km 80.000) of NH-113 by Two Laning in the State of Rajasthan through Public-Private Partnership on Design, Build, Finance, Operate and Transfer (DBFOT) basis Under NHDP-IVB</p>
2.	Location:	<p>Project Highway NH-79 (four laning) from Chittorgarh to Neemuch (MP Border), starts from km 183+000 and ends at km 221+400 in the State of Rajasthan.</p> <p>Project Highway NH-113 (two laning) from Nimbahera to Pratapgarh Section starts from km 0+000 and ends at km 80+000 in the State of Rajasthan.</p>
3.	Sector:	Highways and Roads
4.	Total loan from IIFCL/DFI (US\$ MN):	9.74 USD Million
5.	Safeguard category: (Annex E-3)	<p>Environment Impacts: Category B</p> <p>No Indigenous People are involved in this project</p> <p>No Rehabilitation and resettlement are involved in this project.</p> <p>Further, this project is development, operation and</p>

		<p>maintenance of existing section of 2/4 lane. Moreover, land acquisition was initiated prior to IIFCL's involvement after the Gazette Notification was published.</p>
6.	<p>Were any environmental and social due diligence undertaken by your organization?</p>	<p>Yes, Environmental and Social Due Diligence (ESDD) study was carried out by the ESMU team of IIFCL based on the review of information/ Documents/ NOCs/ Consents/ Permissions and field verification during site visit (17<sup>th</sup>-18<sup>th</sup> July, 2014).</p> <p>To see the environmental, health, safety and social compliance aspects including land acquisition status of the project, IIFCL safeguards team along with ADB Fact finding mission team, again visited the site during 17<sup>th</sup> - 19<sup>th</sup> June, 2015.</p> <p>The sub-project has been approved by ADB in September 2014.</p> <p>For annual audit purpose, Review of safeguard related information has been done for the period of January 2015 to December 2015 and January 2016 to January 2017.</p> <p>(If yes, provide information on due diligence activities, such as desk review of safeguard documents, and field visit, and by whom.)</p>
7.	<p>Any environmental assessment report (including environmental management plan), involuntary resettlement plan, or indigenous peoples plan, or audit reports reviewed by your organization?</p>	<p>The Environmental and Social Safeguard Due-Diligence study was carried out for the sub-project on the basis of site visit observations and understanding project scope based on information and documents provided by the Concessionaire:</p> <p><b>Environment Safeguards:</b></p> <p>The following documents were referred/reviewed in order to prepare Environmental Safeguards Due-Diligence Report:</p> <ul style="list-style-type: none"> <li>(i) EIA/EMP as prepared for the project</li> <li>(ii) Project's statutory clearances/consents/ approvals and permits</li> <li>(iii) Environmental Parameters Monitoring reports</li> <li>(iv) Traffic Management Plan for Construction Scenarios</li> <li>(v) Lender Engineer Report</li> <li>(vi) Concession Agreement</li> <li>(vii) EPC Contract Documents;</li> </ul> <p><b>Social Safeguards:</b> To ensure the safeguard compliance, following documents were reviewed by ESMU:</p> <ul style="list-style-type: none"> <li>• Feasibility Report of the Project;</li> <li>• EIA/EMP Report;</li> </ul>

		<ul style="list-style-type: none"> <li>• Details of Public Hearing;</li> <li>• Gazette Notifications regarding Land Acquisition;</li> <li>• Right of Way Hand over letter;</li> <li>• Lender's Independent Engineer's report, February 2016;</li> <li>• Information pertaining to justification of alignment selection;</li> </ul> <p>Generally projects comes to IIFCL after the technical closure and prior to the financial closure, where preparation of all the documents like PIM, EIA land acquisition and compensation etc. have been initiated and finalized by the Concessioneing Authority where IIFCL have a very limited role to play.</p> <p>Due diligence for a project conducted based on the available documents like PIM EIA, Permits &amp; clearances, Land acquisition and compensation etc., verification of pending litigation cases (if any) and discussions during the site visit was also carried out for the project.</p> <p>As documented in the ESDDR though no separate Resettlement Action Plan (RAP) has been prepared but a short RAP indicating magnitude of social impact, a separate section had been prepared for this project, which is a part of EIA/EMP report.</p> <p>(If yes, please provide the names of documents reviewed.)</p>
8.	What were the main environmental, involuntary resettlement and indigenous peoples issues associated with this subproject that were identified through due diligence conducted by your organization, and how were the issues dealt with (i.e., outcome of due diligence)?	<p><b>Environment Safeguards:</b></p> <p>During ESDDR preparation, no environmental issues were identified for addressal for the project.</p> <p>The following documents were reviewed for the purpose of annual audit:</p> <ul style="list-style-type: none"> <li>(i) EIA/EMP as prepared for the project</li> <li>(ii) Project's statutory clearances/consents/ approvals and permits including In-principle approval for Forest Diversion;</li> <li>(iii) Environmental Parameters Monitoring reports(June 2016 and September 2016)</li> <li>(iv) Six Monthly Compliance Report (October 2015 to March 2016 and April 2016 to October 2016);</li> <li>(v) Incident/Accident Report for project stretch during the period of January 2016 to February 2017</li> <li>(vi) Drawing Plan for Avenue Plantation for Project road</li> <li>(vii) Staff details related to Institutional arrangement for HSE Monitoring &amp; Reporting</li> <li>(viii) Photographic proof of road &amp; traffic safety measures implemented in project road including median plantation done</li> <li>(ix) Lender Engineer Reports for the Period</li> </ul>

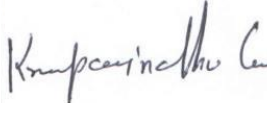


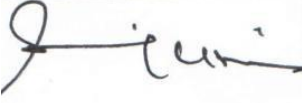
		<p>of February 2016, March 2016;</p> <p>Following are the observations / outcome of the review of documents / information for annual audit:</p> <ul style="list-style-type: none"> <li>• In this project, there is proposal of 11.99 Ha of forest diversion for which Stage-I Forest Clearance has been achieved. Stage-II Forest Clearance is under progress. The forest diversion related issue is under discussion between PWD (Concessioneing authority) and local forest department. As on date, Project developer has not carried out any construction activity in forest stretch of the project road.</li> <li>• Presently, Concessioneing authority has directed project developer to manage/maintain the forest stretch in existing RoW of 2 lane(5.5 mt.) till final decision comes. Once, final forest land requirement will be finalized, forest diversion related approvals will be obtained from concerned authority and then, project developer will take up the job of road widening in forest stretch falling in project road.</li> <li>• As reported in Feb. 2016 LIE report, Roadwork has been completed in project stretch except Forest Stretch of 8.4 km. Project achieved Provisional COD during August 2015.</li> <li>• All applicable consents/NOCs/clearances were obtained and valid till provisional COD obtained for the project, i.e. August 2015. The Consent for operation were not renewed as there is no road construction activity post August 2015 as the road work is only pending in forest stretch for which final decision is yet to come from PWD.</li> <li>• Environmental quality monitoring for air, soil water and noise has been carried out during June 2016 and September 2016. The concentrations/levels of monitored parameters are found well below the prescribed standards.</li> <li>• As mentioned in six monthly compliance report to MoEF, Plantation work is under progress in project stretch for which maintenance will be carried out by PWD Dept., Kota. Local tree species are used for afforestation purpose to achieve better survival.</li> <li>• The solid waste generated is used for rehabilitation of borrow areas.</li> <li>• As mentioned in LIE report, Project developer has undertaken appropriate safety measures at site for safe movement of Traffic.</li> <li>• Noise barriers have been provided in the project stretch passing through inhabited areas to keep noise levels under prescribed standards limit.</li> <li>• Project developer has set up separate environment management cell for effective implementation of stipulated environmental safeguards.</li> <li>• For road safety, IRC Guidelines are strictly adhered to in respect of road signage, service roads, bus bays, inter-sections, pedestrian crossings, Medical &amp; Traffic Aid posts,</li> </ul>
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		<p>Emergency Ambulance &amp; Recovery Vehicle etc.</p> <ul style="list-style-type: none"> <li>Project staff &amp; workers are provided with necessary safety PPEs as per work requirements.</li> </ul> <p>During review of safeguards documents for reporting period, no environmental issues were identified for addressal in Chetak Tollways project.</p> <p><b>Social Safeguards:</b> During the safeguards compliance, it was noted that.</p> <ul style="list-style-type: none"> <li>Though no separate Resettlement Action Plan (RAP) has been prepared but a short RAP, a separate section has been prepared for this project which is a part of EIA/EMP report;</li> <li>No Tribal People are affected due to the project;</li> <li>The subproject developer has saved few number of religious structures by slightly shifting road alignment;</li> <li>The affected people are being compensated for loss of land and structures, according to the policies and procedures of Public Works Department (PWD), Rajasthan;</li> <li>The compensation for the loss of land has been paid by the competent authority considering the market value obtained from the Revenue Department of the state.</li> <li>The sub-project has been prepared by PWD as per its own funding requirement and not anticipation to ADB operation;</li> <li>Local labours are being engaged in the construction activities for skilled as well as unskilled activities;</li> <li>The project has achieved provisional COD on August 2015,</li> </ul> <p>It can be conclude that since the project has achieved PCOD on August 2015 so no major pending social issues are associated with these sub-projects.</p>
9.	Did you discuss with the Lead Bank the applicable environmental and social safeguard requirements and their implementation?	On periodic basis, Lender's consortium meets take place in which Project's physical & financial progress is discussed including critical environmental & social safeguards issues, if any.
10.	For category A subproject, were safeguards related documents such as EIA, RP and IPP, or audit reports made publicly available, in addition to posting on ADB's website?	<p>Chetak Tollways Pvt. Ltd. does not fall under category A as per ADB's safeguard requirement.</p> <p>(If yes, please provide website link and the date the documents were uploaded.)</p>
11.	Were any conditions or covenants related to environmental and social issues made along	The compliance to the applicable laws of land is included as a covenant in the loan agreement

	with the investment?	signed by the Lead Bank and other consortium members with the Concessionaire.  (If yes, please briefly describe.)
12.	Does the investment comply with applicable government requirements?	Yes
13.	Does the investment comply with applicable DFI safeguard requirements?	Yes

# ANNEX E-17: PERIODIC ENVIRONMENTAL AND SOCIAL PERFORMANCE REPORT FOR SUBPROJECTS APPROVED UNDER ADB'S LINE OF CREDIT, AIIFI (PRR-I)

Please provide responses to the questions below. Please include additional sheets or attachments as required to provide details on questions that have been answered Yes. IIFCL is required to submit the periodic performance report to DFIs (see footnote below)<sup>1</sup>. This format is only for guidance and could be improved.

<b>Name of Organization</b>	India Infrastructure Finance Company Limited (IIFCL)	
<b>Name of Sub-project</b>	Design, Engineering, Finance, Construction, Operation and Maintenance of Four Laning of Panikoili - Rimuli Road Section of NH-215 from Km 0+000 – 163+000 in the State of Orissa under NHDP Phase-III as BOT (Toll) basis.	
<b>Name of Sub-project Developer</b>	Sai Maararini Tollways Limited	
<b>Reporting Period</b>	From January 2016 to January 2017	
<b>Audit Activity</b>	<b>Name &amp; Designation</b>	<b>Signature</b>
Prepared by	Mr. Krupasindhu Guru Assistant General Manager (Social Safeguard Specialist)	
	Dr. Ruchi Malik Assistant General Manager (Environment Specialist) ESMU, IIFCL	
Reviewed By	Dr S. S. Garg General Manager & Head, ESMU	
Approved by & Senior Staff with overall responsibility for ESMS implementation	Mr. Sanjeev Ghai Chief General Manager	

## A. Environmental and Social Management System (ESMS)

Sr. No.	Policies & Processes	Yes/No	
1.	Has your organization developed and implemented an ESMS?	Yes	ESSF was adopted by IIFCL in October 2008 which was subsequently revised in November, 2010 and July 2013 and Addendum to the ESSF for World Bank financed projects was issued in year 2014. The latest revised ESSF of February 2016 is available on IIFCL's website ( <a href="http://www.iifcl.org/WriteReadData/userfiles/file/Final%20ESSF%20Feb%202016%2023_5_2016%20(1).pdf">http://www.iifcl.org/WriteReadData/userfiles/file/Final%20ESSF%20Feb%202016%2023_5_2016%20(1).pdf</a> )  (If yes, please attach a copy of the ESMS to this report. Please indicate the date that the ESMS was established.)
2.	If there is an ESMS already in place, have there been any	Yes	Based on ESMU's operational experience & current practices, ESSF has been further revised which is in

<sup>1</sup> Reporting requirements outlined here pertained to ADB. Other DFIs also have similar requirements.

**Sai Maatarini Tollways Limited**

	updates to the ESMS or policy and procedures adopted by your organization during the reporting period?		alignment with Govt. of India Guidelines/Regulations. During February 2016, Latest revised ESSF was approved by IIFCL Board which has been further shared with DFI's during May 2016. Weblink for the same is given above.  (If yes, please provide a copy of the updates including dates and reasons for the same.)																									
3.	Has senior management signed off on the updated policy/ procedure?	Yes	Latest revised ESSF has been approved by IIFCL Board on 23 <sup>rd</sup> February, 2016.  (If yes, please provide the date and internal communication indicating the same.)																									
4.	Has your organization appointed staff tasked to implement the ESMS?	Yes	<p>Environmental and Social Safeguards Management Unit (ESMU) has been set up at IIFCL in 2010 to fulfil the environmental &amp; social safeguard commitments based on ESSF guidelines.</p> <p>The ESMU is headed/ coordinated by a qualified full-time staff of IIFCL and currently two full-time environmental safeguards specialists and one full-time social safeguards specialist are engaged. The details of the ESMU team as on 31<sup>st</sup> January, 2017 are given below:</p> <table><tr><th>Sl. No</th><th>Name of Employee</th><th>Designation</th><th>Qualification</th><th>Experience in relevant field</th></tr><tr><td>1.</td><td>Dr. S. S. Garg</td><td>General Manager</td><td>Doctorate in Environmental Sciences, Diploma in Industrial Safety, Lead Auditor for ISO 14001 and OHSAS18001</td><td>22 yrs</td></tr><tr><td>2.</td><td>Dr. Ruchi Malik</td><td>Assistant General Manager - Environment Specialist</td><td>Doctorate in Environmental Sciences</td><td>15 yrs</td></tr><tr><td>3.</td><td>Dr. Rashmi Kadian</td><td>Assistant General Manager - Environment Specialist</td><td>Doctorate in Environmental Sciences</td><td>14 yrs</td></tr><tr><td>4.</td><td>Mr. Krupasindhu Guru</td><td>Assistant General Manager - Social Specialist</td><td>Masters in Economics, Masters in Journalism, and LLB</td><td>15 yrs</td></tr></table> <p>(If yes, please provide information on number of staff and qualification (experience and education background) to implement the ESMS.)</p>	Sl. No	Name of Employee	Designation	Qualification	Experience in relevant field	1.	Dr. S. S. Garg	General Manager	Doctorate in Environmental Sciences, Diploma in Industrial Safety, Lead Auditor for ISO 14001 and OHSAS18001	22 yrs	2.	Dr. Ruchi Malik	Assistant General Manager - Environment Specialist	Doctorate in Environmental Sciences	15 yrs	3.	Dr. Rashmi Kadian	Assistant General Manager - Environment Specialist	Doctorate in Environmental Sciences	14 yrs	4.	Mr. Krupasindhu Guru	Assistant General Manager - Social Specialist	Masters in Economics, Masters in Journalism, and LLB	15 yrs
Sl. No	Name of Employee	Designation	Qualification	Experience in relevant field																								
1.	Dr. S. S. Garg	General Manager	Doctorate in Environmental Sciences, Diploma in Industrial Safety, Lead Auditor for ISO 14001 and OHSAS18001	22 yrs																								
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3.	Dr. Rashmi Kadian	Assistant General Manager - Environment Specialist	Doctorate in Environmental Sciences	14 yrs																								
4.	Mr. Krupasindhu Guru	Assistant General Manager - Social Specialist	Masters in Economics, Masters in Journalism, and LLB	15 yrs																								
5.	Please give details of any transactions rejected due to	No	During the reporting period (January 2016 – January 2017) one transaction i.e. GVK Bagodara Vasad Expressway																									

	environmental and/or social concerns.		<p>Private Limited was replaced due to environmental concerns.</p> <p>The validity of environmental clearance got expired for this project. As the sub-project did not possess a valid EC, it was found to be non-compliant and recommended for removal from approved list of sub-projects and replaced by a compliant sub-project.</p>
6.	Please state any difficulties and/or constraints related to the implementation of the ESMS.		<p>One of the pre requisites for getting funding (multilateral/bilateral financial institutions like World Bank, Asian Development Bank, and European Investment Bank) under line of credit is the evaluation of the subprojects on environmental and social issues. The ESSF of IIFCL provides an enabling mechanism to IIFCL to meet environmental and social safeguard requirements associated with sub-projects.</p> <p>As per the mandate, IIFCL finances upto 20% of project cost thus, IIFCL is a minor partner in the consortium. IIFCL follows the ESSF, whereas the other lending partners do not have such safeguard framework.</p> <p>The environmental and social safeguard requirement of any infrastructure project requires screening of vast quantum of data / information / statutory approvals / permits / periodic compliance monitoring reports etc. as per National safeguards requirements. Extracting this information from the developer is a time consuming process and is a challenging task.</p>
7.	Please describe how you ensure that your clients and their investments are operated in compliance with the national laws and regulations and applicable DFI's safeguard requirements.		<p>In the Common Loan Agreement for each project funded by IIFCL, certain covenants are always put up reflecting concessionaire's liability to comply with applicable laws of land as required for project implementation.</p> <p>The safeguard compliance status of the project is examined during the due diligence study of the project. After the approval of the project by the DFIs, ESMU conducts annual audit of the projects to review whether the projects are operated in compliance with the applicable laws and regulations.</p> <p>To ensure compliance with DFIs safeguards requirements reports on implementation of EMP, reports on monitoring of environmental quality parameters, status of labour and safety management at project site, Periodic LIE reports and six monthly compliance reports submitted to MoEF&amp;CC are generally shared by developer with IIFCL. The borrowers also engage EHS Corodinator/safety officers/engineers to look after the safety, health and environment related aspects.</p>
8.	Please give details of any material social and environmental issues associated with clients during the reporting period in particular.		<p>The environmental safeguards requirement of any infrastructure project requires screening of vast quantum of data / information / statutory approvals / permits / periodic compliance monitoring reports etc. as per National safeguards requirements. Extracting this information from</p>

**Sai Maatarini Tollways Limited**

			<p>the developer is a time consuming process and is a challenging task.</p> <p>In case of social safeguards, no such issues were associated with the subproject during the reporting period.</p>
9.	In case the existing ESMS is not fully functional, what are the action plan beining implemented by your organization?		<p>Presently, existing ESMU is functional.</p> <p>(Please provide information or cite recommendation made by DFI's review mission to improve the ESMS and its implementation.)</p>
	<b>Capacity</b>	<b>Yes/No</b>	
10.	Please provide the name and contact information of the senior staff who has the overall responsibility for the implementation of ESMS.	Yes	<p>Mr Sanjeev Ghai, Chief General Manager has the overall resposibilty for the implementation of ESSF. His contact information is provided below:</p> <p>Telephone : +91 11 23450263, 23450261(Direct); Email : <a href="mailto:sanjeevghai@iifcl.org">sanjeevghai@iifcl.org</a></p> <p>(Please describe the training or learning activities the Environmental/Social Officer or Coordinator attended during the year.)</p>
11.	Please provide current staffing of other core ESMS persons in the organization involved with ESMS implementation.	Yes	<p>Please refer Section A, point no. 4 for details of ESMU persons of IIFCL.</p> <p>Please find attached details of Training programmes attended by ESMS Staff during reporting period of January 2016 to January 2017 as <b>Annexure-I</b>.</p> <p>(Please describe the training provided to the ESMS persons and other team members during the year.)</p>
12.	What was the budget allocated to the ESMS and its implementation during the year?	Yes	<p>ESMU is the core team of IIFCL and requisite budgetory provision is a part of IIFCL's overall budget.</p> <p>(Please provide budget details including staff costs and training as well as any actual costs.)</p>
	<b>Monitoring</b>		
13.	Do you receive environmental and social monitoring reports from Lead Banks/Borrowers?	Yes	<p>The project is monitored through Lenders Engineer's reporting. The Lender's Independent Engineer is appointed by the Lead Bank of the Lender's Consortium to monitor the physical, financial progress and the compliance of various regulatory requirements. LIE reports are provided by the Lead Bank to the IIFCL. The LIE reports generally cover areas related to statutory approval status, forest diversion, tree cutting status, safety management, land acquisition status and pending litigation etc.</p> <p>From Borrowers, IIFCL receives reports on implementation of EMP, reports on monitoring of environmental quality parameters, status of safety management at project site and six monthly compliance reports submitted to MoEF&amp;CC, Stautory Permitting status, Institutional arrangement, Accident/Incident data etc..</p> <p>(If yes, please describe and provide supporting documents including any social and environmental considerations if applicable.)</p>
14.	Do you check for ongoing compliance of your clients with national regulation and any other requirements?	Yes	<p>During the environmental and social due diligence study and subsequent audit, the compliance of the project with the applicable regulation is checked with available documentation. For projects having critical issues related to Safeguards compliance, The site visit is carried out by ESMU for field verification &amp; monitor the Implementation</p>

			<p>progress.</p> <p>(If yes, please describe the process including any social and environmental considerations if applicable.)</p>
15.	<p>Please describe how you monitor the clients and their investments social and environmental performance.</p>		<p>The social and environmental performances are checked during the preparation of Environmental and Social Due Diligence Report and annual audit. Each approved project is evaluated for its environmental and social safeguard compliance performance against the applicable safeguard requirements at the time of annual audit. The compliance status is also assessed through the LIE report which covers the statutory approval status, forest diversion, tree cutting status, safety management, land acquisition, shifting of common property resources status and pending litigation etc; reports on implementation of EMP, reports on monitoring of environmental parameters, status of safety management, six monthly compliance reports and through site visits.</p> <p>Out of the 16 sub-projects approved under AIFFI Line of credit, site visits were conducted for three sub-projects in the year 2016 and two projects were visited at the end of 2015 for the purpose of ESDDR preparation. Three sub-projects undergoing construction phase, were also visited in the year 2016 for annual audit purpose. Projects which achieved COD during reporting period &amp; approved under Takeout Finance scheme by ADB, were not considered necessary for site visit as there are no pending or critical issues are found. For such cases, safeguards audit reports have been prepared based on review of safeguards compliance information/records related to project and discussions with project developer team.</p> <p>(Please describe and provide supporting documents such as environmental and social monitoring reports and please provide information on the number of subprojects where a field visit was conducted by staff to review aspects including social and environmental issues.)</p>
16.	<p>Please provide details of any accidents/litigation/complaints /regulatory notices and fines:</p> <ul style="list-style-type: none"> <li>- Any incidents of non-compliance with the applicable Environmental and Social Requirements</li> <li>- Covenants/conditionalities imposed by IIFCL to the client as a result of any non-compliance</li> </ul>		<p>The project specific details are provided in Section 'C'.</p>
	<b>Reporting</b>		
17.	<p>Is there an internal process to report on social and environmental issues to Senior management?</p>	Yes	<p>The ESDDR (one time document) and Audit sheets are approved by the Senior Management.</p> <p>The ESDDR is a detailed due-diligence report on environmental &amp; social safeguards and annual audit sheet is reported in the present format in which this environmental and social performance report has been prepared.</p> <p>(If yes, please explain the process, reporting format and frequency and actions taken if any.)</p>
18.	<p>Do you prepare any social and environmental reports:</p> <ul style="list-style-type: none"> <li>- For other multilateral agencies</li> </ul>	Yes	<p>ESMU prepares Environment and Social Due Diligence report for the projects which are posed to other DFIs to draw down, under their line of credit. IIFCL's annual report</p>

	<ul style="list-style-type: none"> <li>- Other stakeholders</li> <li>- E&amp;S reporting in the Annual Report</li> <li>- Sustainability reports</li> </ul>		<p>also reports on the ESSF since the year 2008-09 and ESMU since its inception in the year 2009-10.</p> <p>The Annual Reports are uploaded on IIFCL website and weblink for the same is given below:</p> <p><a href="http://www.iifcl.org/Content/report.aspx?mid=17&amp;bid=2&amp;cid=1">http://www.iifcl.org/Content/report.aspx?mid=17&amp;bid=2&amp;cid=1</a></p> <p>(If yes, please provide copies of these reports.)</p>
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**B. Activities on DFI's Prohibited Investment Activities List**

1.	If any, please indicate the dollar percentage of loans or investments out of your total outstanding exposure provided to clients who are substantially involved in DFI's Prohibited Investment Activities List (Refer to Annexure V of SPS 2009).	Not applicable, since, IIFCL does not finance in activities as per prohibited investment list.
2.	If the percentage is not zero, please explain these exposures and any steps having been taken to reduce such exposure.	Not applicable

**C. Subprojects Using DFI Funds**

Please provide information about all new investments using DFI funds approved during this reporting period.

1.	Name of Subproject:	<p>Subproject Developer: <b>Sai Maatarini Tollways Ltd.</b></p> <p>Sub-project: Design, Engineering, Finance, Construction, Operation and Maintenance of Four Laning of Panikoili - Rimuli Road Section of NH-215 from Km 0+000 – 163+000 in the State of Orissa under NHDP Phase-III as BOT (Toll) basis.</p>
2.	Location:	The Project road (NH 215) starts at Panikoili and ends at Rimuli. The stretch is located in the State of Orissa and falls under the jurisdiction of two districts namely Keonjhar and Jajpur.
3.	Sector:	Highways and Roads
4.	Total loan from IIFCL/DFI (US\$ MN):	37.80 USD Million
5.	Safeguard category: (Annex E-3)	<p>Environment Impacts Category :B</p> <p>No Indigenous People are affected in this project</p> <p>No Rehabilitation and resettlement are involved in this project.</p>
6.	Were any environmental and social due diligence undertaken by your organization?	<p>Yes, Environmental and Social Due Diligence (ESDD) study was carried out by the ESMU team of IIFCL based on the review of information/Documents/NOCs/Consents/ Permissions and field verification during site visit (27<sup>th</sup>-28<sup>th</sup> October, 2014).</p> <p>The sub-project has been approved by ADB in November, 2014.</p>

		<p>For annual audit purposes, Site visit was conducted by ESMU Staff for verification of safeguards measures implementation at project site during July 28-29, 2016 and review of safeguards information has also been done for the period January – December 2015 and January 2016 –January 2017 as part of audit activity.</p> <p>(If yes, provide information on due diligence activities, such as desk review of safeguard documents, and field visit, and by whom.)</p>
7.	Any environmental assessment report (including environmental management plan), involuntary resettlement plan, or indigenous peoples plan, or audit reports reviewed by your organization?	<p><b><u>Environmental Safeguard:</u></b></p> <p>The Environmental and Social Safeguard Due-Diligence study was carried out for the sub-project on the basis of site visit observations and understanding project scope based on information and documents provided by the Concessionaire:</p> <p><b><u>Environment Safeguards:</u></b></p> <p>The following documents were referred/reviewed in order to prepare Environmental Safeguards Due-Diligence Report:</p> <ul style="list-style-type: none"> <li>(i) EIA/EMP as prepared by Consulting Engineers Group Ltd.;</li> <li>(ii) Project's statutory clearances/consents/ approvals and permits;</li> <li>(iii) Environmental Parameters Monitoring reports;</li> <li>(iv) Project Safety Plan;</li> <li>(v) Monthly Progress Reports(LIE's Report);</li> <li>(vi) Concession Agreement;</li> <li>(vii) EPC Contract Documents;</li> </ul> <p><b><u>Social Safeguard</u></b></p> <p>To ensure the safeguard compliance, following documents were reviewed by ESMU:</p> <ul style="list-style-type: none"> <li>• Detail Project Report;</li> <li>• Project information memorandum;</li> <li>• Lender's Independent Engineer's report, May 2017;</li> <li>• Gazette Notifications for land acquisition;</li> <li>• Right of Way Hand Over Letter from NHAI</li> </ul> <p>Generally a project comes to IIFCL after the technical closure and prior to the financial closure, where preparation of all the documents like PIM, EIA land acquisition and compensation etc. have been initiated and finalized by the Concessioneing Authority.</p> <p>The due diligence for a project conducted based on the available documents like PIM EIA, Permits &amp; clearances, Land acquisition and compensation etc., verification of pending litigation cases (if any) and discussions during the site visit was also carried out for the project.</p> <p>However, for this project land acquisition was carried by NHAI after the official Gazette Notification was published and compensation was paid by the competent authority through cheque. During the site visit,</p>

		<p>it was also observed that most of the major cities/habitation area have been avoided by providing bypasses and to minimize the impact of resettlement and rehabilitation five number of bypasses has been proposed.</p> <p>As documented in the ESDDR It was also informed that there are no outstanding grievance/issue with respect to the land acquisition and compensation. (If yes, please provide the names of documents reviewed.)</p>
8.	<p>What were the main environmental, involuntary resettlement and indigenous peoples issues associated with this subproject that were identified through due diligence conducted by your organization, and how were the issues dealt with (i.e., outcome of due diligence)?</p>	<p><b>Environment Safeguards:</b></p> <p>During ESDDR preparation, no environmental issues were identified for addressal for the project.</p> <p>The following documents were reviewed for the purpose of annual audit:</p> <ol style="list-style-type: none"> <li>EIA/EMP as prepared by Aarvee Associates;</li> <li>Project's statutory clearances/consents/ approvals and permits;</li> <li>Environmental Parameters Monitoring reports (September 2016);</li> <li>Project Safety Plan;</li> <li>Half yearly compliance reports submitted to MoEF&amp; CC during the year 2016;</li> <li>Lender Engineer's Reports (Jan. 2016 to Dec. 2016,May 2017);</li> <li>Records related to Road Safety Week Celebrations including photographic proof (9<sup>th</sup> to 15<sup>th</sup> January,2016)</li> <li>Project Safety Plan</li> <li>List of road facilities constructed due to public demand under change of scope works</li> <li>Accident-Incident status for reporting period</li> <li>Details of project staff including Safety team</li> <li>Site specific wildlife conservation/Management Plan</li> </ol> <p>Following are the observations / outcome of the review of documents / information for annual audit:</p> <ul style="list-style-type: none"> <li>As per December 2016 LIE's report, it's mentioned that as per Schedule 'E' of Concession Agreement, Concessionaire Company / EPC Agency has obtained / procured all the applicable permits. Concessionaire has submitted Safety Management plan/quality assurance plan/ environment management plan to Independent Engineer.</li> <li>Project developer has also provided applicable permits including SPCB's consents to operate copies for construction plants/crusher/Quarries used for project road development which were found to be renewed timely and valid for reporting period.</li> <li>Project involves forest diversion of 151.94 hectares for Four/Six laning of road work for which Stage-I approval of Forest Clearance was achieved vide date 6<sup>th</sup> May, 2014. Compliance status of Stage-I forest clearance letter conditions was submitted to MoEF&amp;CC vide date 25.08.2014. Project developer has informed status of Forest Stage-II Clearance is under progress.</li> <li>MoEF &amp; CC vide letter dated 8<sup>th</sup> August,2014 has issued guideline for diversion of forest land for non-forest purpose under Forest</li> </ul>

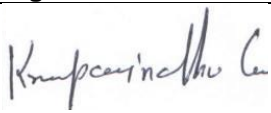
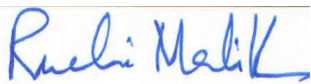

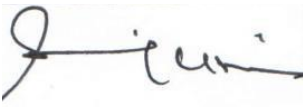
		<p>(Conservation) Act,1980 in respect of permission for felling of trees standing on forest land to be diverted for execution of linear project. As per the guidelines, in-principle approval under the FC Act,1980 may be deemed as the working permission for tree cutting and commencement of work, if the required funds for compensatory afforestation, NPV, Wildlife conservation plan etc. and all such other compensatory levies specified in the in-principle approval are realized from the user agency. After submission of compliance status including funds for compensatory afforestation to MoEF&amp;CC, project director requested to Divisional forest officer for tree cutting permission and commencement of tree cutting work vide date 27.08.2014. Tree cutting permissions to the project were granted in October 2015 for cutting of trees falling in forest stretch.</p> <ul style="list-style-type: none"> <li>• During site visit, tree cutting activity was under progress which is done by Orissa Forest Development Corporation Limited (OFDCL). Project developer has taken up construction work in cleared stretch only.</li> <li>• As per LIE Report of May 2017, total 26418 no. of trees have been felled out of 30502 no. Trees in forest area and out of 15085 no. of trees in non-forest area, 14960 no. trees have been felled.</li> <li>• Project Developer has informed that an amount of Rs. 38 Lakhs has been spent towards monitoring of EMP implementation and quality monitoring and compiling with relevant requirements.</li> <li>• Environmental Quality monitoring has been carried out in project stretch for air, water and noise environment. Results of noise monitoring at crusher/stone quarry sites and construction plants are slightly exceeding the stipulated norms but as these areas are located away from habituated areas so there won't be significant adverse impacts on nearby population.</li> <li>• There is provision of two no. of Elephant Underpasses in project stretch falling in Reserve Forest area of Keonjhar district for which construction work is under progress. Site specific wildlife conservation/Management Plan has been prepared for this project for which budgetary provisions has been recommended to implement specific measures to improve wildlife habitat in adjoining forest areas of project road.</li> <li>• As per half-yearly compliance report submitted to MoEF &amp;CC in November 2016, its mentioned that plantation is being taken-up by the authority through OFDC and Concessionaire for a total number of 150480 which is ten times trees felled in non-forest area as per prevailing norms of State Govt.</li> <li>• Borrow area are being rehabilitated from time to time and side roads and village roads are being developed with the dumps of bituminous materials.</li> <li>• Construction workers and project staff have been provided with infrastructure facilities including water supply, fuel and sanitation at project site.</li> <li>• During site visit, Project developer informed that major complaints in project corridor were received related to dust nuisance for which frequency of water sprinkling has been increased for mitigation.</li> <li>• Safety sign boards have been placed in project stretch to avoid inconvenience of commuters. For slope protection on elevated</li> </ul>
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		<p>sections in project stretch, project developer is using Geo Textile Sheets for control of soil erosion which is environment friendly and economical approach in long run as it saves maintenance costs.</p> <ul style="list-style-type: none"> <li>• Project developer has provided status of Accidents/Incidents happened in the project stretch during reporting period.</li> <li>• Every year, Safety week shall be conducted along the project highway in the month of January. Safety awareness activities have been carried out in project stretch by conducting workshops on safety awareness, distribution of pamphlets to road users and placing safety banners at different places.</li> <li>• Project developer has informed that Fly ash bricks are being used for Building construction in the project and after using of the borrow area, suitable slopes are provided and leveled to be used as pond for the cultivation / to improve ground water table.</li> <li>• Project developer has provided list of additional underpasses, drains &amp; service roads due to public demand which has been constructed at many places in the project road stretch, apart from the scope of concessionaire agreement.</li> </ul> <p>During review of safeguards documents for reporting period, no environmental issues were identified for addressal in Sai Maatarini Tollways project.</p> <p><b>Social Safeguard :</b></p> <ul style="list-style-type: none"> <li>• The sub-project has been prepared by NHAI as per its own funding requirement and not in anticipation to ADB's operations;</li> <li>• To avoid major resettlement and rehabilitation five numbers of bypasses have been proposed at major settlement areas;</li> <li>• Concessionaire has undertaken various community development activities to benefit the local people;</li> <li>• Local labours are being engaged in the construction activities for unskilled and semi-skilled activities;</li> <li>• It was observed during the site visit that the rehabilitation of borrow area by converting it as pond, cultivable land, and levelling the hilly area by converting it as plane area for plantation purpose;</li> <li>• With the request of the local people the subproject developer has engaged themselves for Enhancement/ construction of village road/approach road for the villagers;</li> <li>• By providing drinking water facility to the village, Harida Ghot one tube well has been constructed;</li> <li>• As per the public demand one Club House has been constructed at Harida Ghot;</li> <li>• Levelling and repair of playground for Govt. Engineering College at Keonjhar;</li> <li>• Levelling and repair of playground for Upper Primary School and for local people at Raisuan, Ranki, Banajodi village;</li> </ul>
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9.	Did you discuss with the Lead Bank the applicable environmental and social safeguard requirements and their implementation?	On periodic basis, Lender's consortium meets take place in which Project's physical & financial progress is discussed including critical environmental & social safeguards issues, if any.
10.	For category A subproject, were safeguards related documents such as EIA, RP and IPP, or audit reports made publicly available, in addition to posting on ADB's website?	<p>Sai Maatarini Tollways Pvt. Ltd. does not fall under category A as per ADB's safeguard requirements.</p> <p>(If yes, please provide website link and the date the documents were uploaded.)</p>
11.	Were any conditions or covenants related to environmental and social issues made along with the investment?	<p>The compliance to the applicable laws of land is included as a covenant in the loan agreement signed by the lead bank and other consortium members with the Concessionaire.</p> <p>(If yes, please briefly describe.)</p>
12.	Does the investment comply with applicable government requirements?	Yes
13.	Does the investment comply with applicable DFI safeguard requirements?	Yes

# ANNEX E-17: PERIODIC ENVIRONMENTAL AND SOCIAL PERFORMANCE REPORT FOR SUBPROJECTS APPROVED UNDER ADB'S LINE OF CREDIT, AIIFI (PRR-I)

Please provide responses to the questions below. Please include additional sheets or attachments as required to provide details on questions that have been answered Yes. IIFCL is required to submit the periodic performance report to DFIs (see footnote below)<sup>1</sup>. This format is only for guidance and could be improved.

<b>Name of Organization</b>	India Infrastructure Finance Company Limited (IIFCL), New Delhi	
<b>Name of Sub-project</b>	Four laning of Kiratpur to Ner-Chowk section of NH-21 from km. 73.200 to km. 186.500 (Designed length is approx. 84.38 km.) on Design, Build, Finance, Operate and Transfer (DBFOT) basis in the states of Punjab & Himachal Pradesh as BOT (Toll) under NHDP phase-III.	
<b>Name of Sub-project Developer</b>	Kiratpur Ner Chowk Expressway Ltd.	
<b>Reporting Period</b>	From January 2016 to January 2017	
<b>Audit Activity</b>	<b>Name &amp; Designation</b>	<b>Signature</b>
Prepared by	Mr. Krupasindhu Guru Assistant General Manager (Social Safeguard Specialist)	
	Dr. Ruchi Malik Assistant General Manager (Environment Specialist) ESMU, IIFCL	
Reviewed By	Dr S. S. Garg General Manager & Head, ESMU	
Approved by & Senior Staff with overall responsibility for ESMS implementation	Mr. Sanjeev Ghai Chief General Manager	

## A. Environmental and Social Management System (ESMS)

Sr. No.	Policies & Processes	Yes/No	
1.	Has your organization developed and implemented an ESMS?	Yes	ESSF was adopted by IIFCL in October 2008 which was subsequently revised in November, 2010 and July 2013 and Addendum to the ESSF for World Bank financed projects was issued in year 2014. The latest revised ESSF of February 2016 is available on IIFCL's website ( <a href="http://www.iifcl.org/WriteReadData/userfiles/file/Final%20ESSF%20Feb%202016%2023_5_2016%20(1).pdf">http://www.iifcl.org/WriteReadData/userfiles/file/Final%20ESSF%20Feb%202016%2023_5_2016%20(1).pdf</a> )

<sup>1</sup> Reporting requirements outlined here pertained to ADB. Other DFIs also have similar requirements.

**Kiratpur Ner Chowk Expressway Ltd.**

			(If yes, please attach a copy of the ESMS to this report. Please indicate the date that the ESMS was established.)																									
2.	If there is an ESMS already in place, have there been any updates to the ESMS or policy and procedures adopted by your organization during the reporting period?	Yes	<p>Based on ESMU's operational experience &amp; current practices, ESSF has been further revised which is in alignment with Govt. of India Guidelines/Regulations. During February 2016, Latest revised ESSF was approved by IIFCL Board which has been further shared with DFI's during May 2016. Weblink for the same is given above.</p> <p>(If yes, please provide a copy of the updates including dates and reasons for the same.)</p>																									
3.	Has senior management signed off on the updated policy/ procedure?	Yes	<p>Latest revised ESSF has been approved by IIFCL Board on 23<sup>rd</sup> February, 2016.</p> <p>(If yes, please provide the date and internal communication indicating the same.)</p>																									
4.	Has your organization appointed staff tasked to implement the ESMS?	Yes	<p>Environmental and Social Safeguards Management Unit (ESMU) has been set up at IIFCL in 2010 to fulfil the environmental &amp; social safeguard commitments based on ESSF guidelines.</p> <p>The ESMU is headed/ coordinated by a qualified full-time staff of IIFCL and currently two full-time environmental safeguards specialists and one full-time social safeguards specialist are engaged. The details of the ESMU team as on 31<sup>st</sup> January, 2017 are given below:</p> <table><tr><th>Sl. No</th><th>Name of Employee</th><th>Designation</th><th>Qualification</th><th>Experience in relevant field</th></tr><tr><td>1.</td><td>Dr. S. S. Garg</td><td>General Manager</td><td>Doctorate in Environmental Sciences, Diploma in Industrial Safety, Lead Auditor for ISO 14001 and OHSAS18001</td><td>22 yrs</td></tr><tr><td>2.</td><td>Dr. Ruchi Malik</td><td>Assistant General Manager - Environment Specialist</td><td>Doctorate in Environmental Sciences</td><td>15 yrs</td></tr><tr><td>3.</td><td>Dr. Rashmi Kadian</td><td>Assistant General Manager - Environment Specialist</td><td>Doctorate in Environmental Sciences</td><td>14 yrs</td></tr><tr><td>4.</td><td>Mr. Krupasindhu Guru</td><td>Assistant General Manager - Social Specialist</td><td>Masters in Economics, Masters in Journalism, and LLB</td><td>15 yrs</td></tr></table>	Sl. No	Name of Employee	Designation	Qualification	Experience in relevant field	1.	Dr. S. S. Garg	General Manager	Doctorate in Environmental Sciences, Diploma in Industrial Safety, Lead Auditor for ISO 14001 and OHSAS18001	22 yrs	2.	Dr. Ruchi Malik	Assistant General Manager - Environment Specialist	Doctorate in Environmental Sciences	15 yrs	3.	Dr. Rashmi Kadian	Assistant General Manager - Environment Specialist	Doctorate in Environmental Sciences	14 yrs	4.	Mr. Krupasindhu Guru	Assistant General Manager - Social Specialist	Masters in Economics, Masters in Journalism, and LLB	15 yrs
Sl. No	Name of Employee	Designation	Qualification	Experience in relevant field																								
1.	Dr. S. S. Garg	General Manager	Doctorate in Environmental Sciences, Diploma in Industrial Safety, Lead Auditor for ISO 14001 and OHSAS18001	22 yrs																								
2.	Dr. Ruchi Malik	Assistant General Manager - Environment Specialist	Doctorate in Environmental Sciences	15 yrs																								
3.	Dr. Rashmi Kadian	Assistant General Manager - Environment Specialist	Doctorate in Environmental Sciences	14 yrs																								
4.	Mr. Krupasindhu Guru	Assistant General Manager - Social Specialist	Masters in Economics, Masters in Journalism, and LLB	15 yrs																								

**Kiratpur Ner Chowk Expressway Ltd.**

			(If yes, please provide information on number of staff and qualification (experience and education background) to implement the ESMS.)
5.	Please give details of any transactions rejected due to environmental and/or social concerns.	No	<p>During the reporting period (January 2016 – January 2017) one transaction i.e. GVK Bagodara Vasad Expressway Private Limited was replaced due to environmental concerns.</p> <p>The validity of environmental clearance got expired for this project. As the sub-project did not possess a valid EC, it was found to be non-compliant and recommended for removal from approved list of sub-projects and replaced by a compliant sub-project.</p>
6.	Please state any difficulties and/or constraints related to the implementation of the ESMS.		<p>One of the pre requisites for getting funding (multilateral/bilateral financial institutions like World Bank, Asian Development Bank, and European Investment Bank) under line of credit is the evaluation of the subprojects on environmental and social issues. The ESSF of IIFCL provides an enabling mechanism to IIFCL to meet environmental and social safeguard requirements associated with sub-projects.</p> <p>As per the mandate, IIFCL finances upto 20% of project cost thus, IIFCL is a minor partner in the consortium. IIFCL follows the ESSF, whereas the other lending partners do not have such safeguard framework.</p> <p>The environmental and social safeguard requirement of any infrastructure project requires screening of vast quantum of data / information / statutory approvals / permits / periodic compliance monitoring reports etc. as per National safeguards requirements. Extracting this information from the developer is a time consuming process and is a challenging task.</p>
7.	Please describe how you ensure that your clients and their investments are operated in compliance with the national laws and regulations and applicable DFI's safeguard requirements.		<p>In the Common Loan Agreement for each project funded by IIFCL, certain covenants are always put up reflecting concessionaire's liability to comply with applicable laws of land as required for project implementation.</p> <p>The safeguard compliance status of the project is examined during the due diligence study of the project. After the approval of the project by the DFIs, ESMU conducts annual audit of the projects to review whether the projects are operated in compliance with the applicable laws and regulations.</p> <p>To ensure compliance with DFIs safeguards requirements reports on implementation of EMP, reports on monitoring of environmental quality parameters, status of labour and safety management at project site, Periodic LIE reports and six monthly compliance reports submitted to MoEF are generally shared by developer with IIFCL. The borrowers also engage EHS Corodinator/safety officers/engineers to look after the safety, health and environment related aspects.</p>
8.	Please give details of any material		The environmental safeguards requirement of any

	social and environmental issues associated with clients during the reporting period in particular.		<p>infrastructure project requires screening of vast quantum of data / information / statutory approvals / permits / periodic compliance monitoring reports etc. as per National safeguards requirements. Extracting this information from the developer is a time consuming process and is a challenging task.</p> <p>In case of social safeguards, no such issues were associated with the subproject during the reporting period.</p>
9.	In case the existing ESMS is not fully functional, what are the action plan being implemented by your organization?		<p>Presently, existing ESMU is functional.</p> <p>(Please provide information or cite recommendation made by DFI's review mission to improve the ESMS and its implementation.)</p>
	<b>Capacity</b>	<b>Yes/No</b>	
10.	Please provide the name and contact information of the senior staff who has the overall responsibility for the implementation of ESMS.	Yes	<p>Mr Sanjeev Ghai, Chief General Manager has the overall responsibility for the implementation of ESSF. His contact information is provided below:</p> <p>Telephone : +91 11 23450263, 23450261(Direct); Email : <a href="mailto:sanjeevghai@iifcl.org">sanjeevghai@iifcl.org</a></p> <p>(Please describe the training or learning activities the Environmental/Social Officer or Coordinator attended during the year.)</p>
11.	Please provide current staffing of other core ESMS persons in the organization involved with ESMS implementation.	Yes	<p>Please refer Section A, point no. 4 for details of ESMU persons of IIFCL.</p> <p>Please find attached details of Training programmes attended by ESMS Staff during reporting period of January 2016 to January 2017 as <b>Annexure-I</b>.</p> <p>(Please describe the training provided to the ESMS persons and other team members during the year.)</p>
12.	What was the budget allocated to the ESMS and its implementation during the year?	Yes	<p>ESMU is the core team of IIFCL and requisite budgetary provision is a part of IIFCL's overall budget.</p> <p>(Please provide budget details including staff costs and training as well as any actual costs.)</p>
	<b>Monitoring</b>		
13.	Do you receive environmental and social monitoring reports from Lead Banks/Borrowers?	Yes	<p>The project is monitored through Lenders Engineer's reporting. The Lender's Independent Engineer is appointed by the Lead Bank of the Lender's Consortium to monitor the physical, financial progress and the compliance of various regulatory requirements. LIE reports are provided by the Lead Bank to the IIFCL. The LIE reports generally cover areas related to statutory approval status, forest diversion, tree cutting status, safety management, land acquisition status and pending litigation etc.</p> <p>From Borrowers, IIFCL receives reports on implementation of EMP, reports on monitoring of environmental quality parameters, status of safety management at project site and six monthly compliance reports submitted to MoEF, Statutory Permitting status, Institutional arrangement, Accident/Incident data etc..</p> <p>(If yes, please describe and provide supporting documents including any social and environmental considerations if applicable.)</p>
14.	Do you check for ongoing compliance of your clients with	Yes	<p>During the environmental and social due diligence study and subsequent audit, the compliance of the project with</p>

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	national regulation and any other requirements?		<p>the applicable regulation is checked with available documentation. For projects having critical issues related to Safeguards compliance, The site visit is carried out by ESMU for field verification &amp; monitor the Implementation progress.</p> <p>(If yes, please describe the process including any social and environmental considerations if applicable.)</p>
15.	Please describe how you monitor the clients and their investments social and environmental performance.		<p>The social and environmental performances are checked during the preparation of Environmental and Social Due Diligence Report and annual audit. Each approved project is evaluated for its environmental and social safeguard compliance performance against the applicable safeguard requirements at the time of annual audit. The compliance status is also assessed through the LIE report which covers the statutory approval status, forest diversion, tree cutting status, safety management, land acquisition, shifting of common property resources status and pending litigation etc; reports on implementation of EMP, reports on monitoring of environmental parameters, status of safety management, six monthly compliance reports and through site visits.</p> <p>Out of the 16 sub-projects approved under AIIFI Line of credit, site visits were conducted for three sub-projects in the year 2016 and two projects were visited at the end of 2015 for the purpose of ESDDR preparation. Three sub-projects undergoing construction phase, were also visited in the year 2016 for annual audit purpose. Projects which achieved COD during reporting period &amp; approved under Takeout Finance scheme by ADB, were not considered necessary for site visit as there are no pending or critical issues found. For such cases, safeguards audit reports have been prepared based on review of safeguards compliance information/records related to project and discussions with project developer team.</p> <p>(Please describe and provide supporting documents such as environmental and social monitoring reports and please provide information on the number of subprojects where a field visit was conducted by staff to review aspects including social and environmental issues.)</p>
16.	<p>Please provide details of any accidents/litigation/complaints /regulatory notices and fines:</p> <ul style="list-style-type: none"> <li>- Any incidents of non-compliance with the applicable Environmental and Social Requirements</li> <li>- Covenants/conditionalities imposed by IIFCL to the client as a result of any non-compliance</li> </ul>		The project specific details are provided in Section 'C'.
<b>Reporting</b>			
17.	Is there an internal process to report on social and environmental issues to Senior management?	Yes	<p>The ESDDR (one time document) and Audit sheets are approved by the Senior Management.</p> <p>The ESDDR is a detailed due-diligence report on environmental &amp; social safeguards and annual audit sheet is reported in the present format in which this environmental and social performance report has been prepared.</p> <p>(If yes, please explain the process, reporting format and frequency and</p>

## Kiratpur Ner Chowk Expressway Ltd.

			actions taken if any.)
18.	Do you prepare any social and environmental reports: <ul style="list-style-type: none"> <li>- For other multilateral agencies</li> <li>- Other stakeholders</li> <li>- E&amp;S reporting in the Annual Report</li> <li>- Sustainability reports</li> </ul>	Yes	<p>ESMU prepares Environment and Social Due Diligence report for the projects which are posed to other DFIs to draw down, under their line of credit. IIFCL's annual report also reports on the ESSF since the year 2008-09 and ESMU since its inception in the year 2009-10.</p> <p>The Annual Reports are uploaded on IIFCL website and weblink for the same is given below:</p> <p><a href="http://www.iifcl.org/Content/report.aspx?mid=17&amp;bid=2&amp;cid=1">http://www.iifcl.org/Content/report.aspx?mid=17&amp;bid=2&amp;cid=1</a></p> <p>(If yes, please provide copies of these reports.)</p>

B. Activities on DFI's Prohibited Investment Activities List		
1.	If any, please indicate the dollar percentage of loans or investments out of your total outstanding exposure provided to clients who are substantially involved in DFI's Prohibited Investment Activities List (Refer to Annexure V of SPS 2009).	Not applicable, since, IIFCL does not finance in activities as per prohibited investment list.
2.	If the percentage is not zero, please explain these exposures and any steps having been taken to reduce such exposure.	Not applicable

### C. Subprojects Using DFI Funds

Please provide information about all new investments using DFI funds approved during this reporting period.

1.	Name of Subproject:	<p>Sub-project Developer: Kiratpur Ner Chowk Expressway Ltd.</p> <p>Sub-project: four laning of Kiratpur to Ner-Chowk section of NH-21 from km. 73.200 to km. 186.500 (Designed length is approx. 84.38 km.) on Design, Build, Finance, Operate and Transfer (DBFOT) basis in the states of Punjab &amp; Himachal Pradesh as BOT (Toll) under NHDP phase-III.</p>
2.	Location:	The Project road starts from Kiratpur bypass (at Km. 73.200) and ends at Ner Chowk bypass (at Km. 186.500) with an existing length of 113. 300 Km. and the redesign length of approx. 84.380 Kms.
3.	Sector:	Highways and Roads
4.	Total loan from IIFCL/DFI (US\$ MN):	29.03 USD Million
5.	Safeguard category: (Annex E-3)	<p>Environment Impacts Category :B</p> <p>No Indigenous People are affected in this project</p> <p>No Rehabilitation and resettlement are involved in this project.</p>
6.	Were any environmental and social due diligence undertaken by your organization?	Yes, Environmental & Social Due-Diligence for Kiratpur Ner Chowk Ltd. was undertaken by ESMU for which desk review of safeguards related documents was carried out along with field verification done during site visit conducted during 2 <sup>nd</sup> - 4 <sup>th</sup> of January 2015 by ESMU

		<p>team.</p> <p>For annual audit purposes, Site visit was conducted by ESMU Staff for verification of safeguards measures implementation at project site during November 7-8, 2016 and review of safeguards information has also been done for the period January – December 2015 and January 2016 –January 2017 as part of audit activity.</p> <p>(If yes, provide information on due diligence activities, such as desk review of safeguard documents, and field visit, and by whom.)</p>
7.	Any environmental assessment report (including environmental management plan), involuntary resettlement plan, or indigenous peoples plan, or audit reports reviewed by your organization?	<p><b><u>Environmental Safeguards:</u></b></p> <p>The Environmental and Social Safeguard Due-Diligence study was carried out for the sub-project on the basis of site visit observations and understanding project scope based on information and documents provided by the Concessionaire:</p> <p>The following documents were referred/reviewed in order to prepare Environmental Safeguards Due-Diligence Report:</p> <ul style="list-style-type: none"> <li>• EIA/EMP Report</li> <li>• Project Statutory Clearances/ approvals and permits</li> <li>• Tunnel Specific HSE Document</li> <li>• EPC Contract Documents</li> <li>• Concession Agreement</li> <li>• Project Information Memorandum</li> <li>• Lenders Independent Engineer reports</li> </ul> <p><b><u>Social Safeguard</u></b></p> <p>During the safeguards compliance review these are the documents reviewed:</p> <ul style="list-style-type: none"> <li>• Detail Project Report (DPR);</li> <li>• Environmental Impact Assessment (EIA) Report;</li> <li>• Gazette Notifications for Land Acquisitions;</li> <li>• Concession Agreement (CA)</li> <li>• Engineering Procurement &amp; Construction (EPC) Contract;</li> <li>• Project Information Memorandum (PIM) of the project;</li> <li>• Lenders Independent Engineers (LIE)</li> <li>• Right of Way Hand Over Letter;</li> <li>• CSR Details</li> </ul> <p>(If yes, please provide the names of documents reviewed.)</p>
8.	What were the main environmental, involuntary resettlement and indigenous peoples issues associated with this subproject that were identified through due diligence conducted by your organization, and how were the issues dealt with (i.e., outcome of due diligence)?	<p><b><u>Environment Safeguards:</u></b></p> <p>During ESDDR preparation, no environmental issues were identified for addressal in the project.</p> <p>The following documents were reviewed for the purpose of annual audit:</p> <ul style="list-style-type: none"> <li>(i) EIA/EMP Report for the project</li> <li>(ii) Project's statutory clearances/consents/ approvals and permits;</li> <li>(iii) Six Monthly Compliance reports submitted to MoEF w.r.t. conditions stipulated in Environment clearance Letter for the year 2016 (For the period of Jan. 2016 to June 2016 and July 2016 to December 2016)</li> </ul>

		<p>(iv) Environmental Quality Monitoring reports (January 2016, April 2016, August 2016 and November 2016);</p> <p>(v) Photographs of traffic and road safety measures being implemented in the sub project;</p> <p>(vi) Photographs for Tree Plantation in project camps &amp; site;</p> <p>(vii) Copy of Pond Ash usage permission in road construction from Ropar Thermal Power Plant</p> <p>(viii) Month-wise status for No. of Tool Box Talks/ safety trainings conducted for project staff during Jan. to Dec. 2016</p> <p>(ix) Photographs with details for Emergency Mock Drills/ HSE Awareness Programs including National Safety Day celebration and Road safety week held at project site</p> <p>(x) Details of HSE Induction Trainings in project during Jan. to Dec. 2016</p> <p>(xi) Project Organization Chart including details of HSE Staff</p> <p>(xii) Progress Review Reports prepared by LIE for the month of Feb., March, April, May, June, July and October 2016);</p> <p>Following are the observations / outcome of the review of documents / information for annual audit:</p> <ul style="list-style-type: none"> <li>• Applicable consents/NOCs/clearances have been obtained for the project which has been renewed timely and valid during reporting period.</li> <li>• Forest clearances (Stages I and II) have been obtained from MOEF for the diversion of 119.8843 ha of forest land involved in the project road stretch. For the construction of Sunder Nagar bypass, 3.34 ha forest land is required for which proposal has been prepared and forest clearance is under progress. Project developer has further confirmed that tree cutting and construction activity has not been carried out in Sunder Nagar Bypass stretch.</li> <li>• Six monthly compliance reports were submitted to MoEF &amp; CC for compliance of EC Letter conditions for the year 2016.</li> <li>• Tree cutting permission has been obtained from Himachal Pradesh Van Nigam. Green Belt will be provided on both sides of Carriageway for which adequate cost provisions has been made towards maintenance.</li> <li>• Sidewalk provisions have been done in project stretch at Bridge locations. Longitudinal drains will be provided in project stretch as per IRC guidelines, apart from adequate provision of under culverts to act as cross drainage structures.</li> <li>• As mentioned in six-monthly compliance report, Excavated soil is reused for earthwork of the project and accordingly no need of borrow area has arisen. River sand is not extracted for project construction.</li> <li>• Adequate facilities such as water supply, sanitation system etc. is provided to construction workers at labour camps to avoid damage to the environment.</li> <li>• This is also reported in six monthly compliance report that the top soil are being preserved and same are being reused in protection work along with proper hydro seeding works to create green and stable facia. The work is being carried out in consultation with DFO, Bilaspur (H.P).</li> <li>• As mentioned in MoEF's six monthly compliance report, Embankments slope on the hill side after cutting of slope to be treated with hydro seeding to develop the green facia with natural grasses as per IRC:SP:21.</li> <li>• Environment management staff has been engaged at project site for monitoring &amp; effective implementation of the environmental</li> </ul>
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		<p>safeguards.</p> <ul style="list-style-type: none"> <li>• Punjab State Power Corporation Ltd. has allowed the project contractor to lift 35000 Cum (about 2500 Trucks) of wet ash from ash pond area of GGSS Thermal Plant, Ropar. As part of good practices, Project developer has used 9077 Cum fly ash for preparation of RE wall at Chainage 0+450km.</li> <li>• Concessionaire has deputed a dedicated qualified and trained Safety Expert with his team to oversee the safety and environmental aspect of the Project Highway. The Safety expert advises the Contractors for effective implementation of safety norms.</li> <li>• Safety Management Team mobilized by the contractor is ensuring proper Traffic &amp; Safety Management along the entire stretch of the project road especially at locations where the work is under progress. All necessary and preventive steps have been taken to ensure that proper arrangements for diversion from the existing road are made. Proper signage has been installed at appropriate locations for the convenience of the traffic movement.</li> <li>• Environmental quality monitoring for air, soil, water and noise parameters was carried out on quarterly basis during the year (Jan., April, Aug. and Nov. 2016). The concentrations/levels of monitored parameters are found within the prescribed standards.</li> <li>• Project developer conducts safety meetings/Tool Box Talks on regular basis and also conducts safety awareness training programs for staff involved in project.</li> <li>• Safety awareness activities by celebrating National Safety Day and Road safety week are also conducted in project stretch in which general public is also made aware about safe travelling &amp; by distributing road safety related pamphlets.</li> <li>• Project developer has informed that no major complaints received in project stretch related to Environmental safeguards implementation in project road stretch.</li> </ul> <p>During review of safeguards documents for reporting period, no environmental issues were identified for addressal in Kiratpur Ner Chowk Expressway project.</p> <p><b>Social Safeguard</b></p> <ul style="list-style-type: none"> <li>• 98% land has been acquired;</li> <li>• The sub-project was prepared by NHAI as per its own funding requirement and not in anticipation to ADB's operations;</li> <li>• The project corridor passes through mostly on hilly terrain and forest lands on either side of the road;</li> <li>• The existing length of the project is 113. 300 Km. and the design length of the project are approx. 84.380 Kms;</li> <li>• For smooth flow of traffic in the hilly terrain, to avoid congestion in the city areas as well as to minimize rehabilitation and resettlement of project affected people, two number of bypass have been provided as a result the proposed project alignment is saving approx. 29 Km of length;</li> <li>• The project was disclosed to the project affected people through Gazette Notifications;</li> </ul>
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	<ul style="list-style-type: none"> <li>Public Consultations were carried out with the different stakeholders along the project road, villages, shopkeepers, project affected people and the people of the different section of the society in six number of places along the project road;</li> <li>Thirty four youths have been inducted in advance welders training programme at IETS Skills in Ropar, linked with placement, out of which Elevens are got placement and rest are self-employed;</li> <li>Ten youths have been inducted in Hospitality Training Programme at IIS Nahan linked with placement in Hotel Industry, out of which seven are got placement in Rajasthan and three are self-employed.</li> <li>As per information provided by subproject developer no Schedule Caste/Schedule Tribe people get affected due to proposed project;</li> <li>Considering the socio-economic profile of the sub-project areas, it may be noted that the sub- project will improve the quality of life of the people;</li> <li>The sub-project is connecting to Leah and Ladkha region of India by connecting through State and National Highways;</li> <li>Concessionaire has undertaken various community development activities to benefit the local people;</li> <li>The widening of the existing road will provide better transportation facility for tourists visiting Manali-Rohtang Pass from different parts of India and abroad;</li> <li>The widening of the existing road will provide better connectivity to Kulu-Manali, which is an important tourist destination in India;</li> </ul> <p>During the site visit on 7<sup>th</sup> and 8<sup>th</sup> of November 2016, it was noted that:</p> <ul style="list-style-type: none"> <li>Local labourers are being hired from the locality for day to day activity and construction purposes. These labourers go back to their own houses in the evening after completing day's work;</li> <li>Camp offices including toilets and mess facilities are well maintained. Good sanitation and proper hygiene are being maintained regularly;</li> <li>Contractor has mobilized a safety management team to ensure proper traffic and safety management along the entire stretch of the project road;</li> <li>Cautionary boards and other applicable sign boards are provided at regular intervals to avoid the accidents;</li> <li>Proper traffic diversions and appropriate signages are being provided at appropriate locations at the construction site for the convenience of road traffic;</li> <li>Workers are being provided with the required safety gears to be worn during execution of work;</li> </ul>
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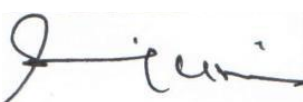
**Kiratpur Ner Chowk Expressway Ltd.**

		<ul style="list-style-type: none"> <li>• As informed by the subproject developer during the site visit that more than 1000 numbers of local labours are being engaged in the construction activities for skilled semi-skilled and unskilled activities;</li> <li>• During the discussion with the developer, it was observed that few of the vehicles are hired from local for support of the project;</li> <li>• Construction workers are provided with ready access to on- or off-site health care check-up facilities and are being provided with first aid for minor injuries;</li> <li>• The project was disclosed to the project affected people through Gazette Notifications;</li> <li>• Public Consultations were carried out with the different stakeholders along the project road, villages, shopkeepers, project affected people and the people of the different section of the society in six number of places along the project road;</li> <li>• Thirty four youths have been inducted in advance welders training programme at IETS Skills in Ropar, linked with placement, out of which Elevens are got placement and rest are self-employed;</li> <li>• Ten youths have been inducted in Hospitality Training Programme at IIS Nahan linked with placement in Hotel Industry, out of which seven are got placement in Rajasthan and three are self-employed.;</li> <li>• As per information provided by subproject developer no Schedule Caste/Schedule Tribe people get affected due to proposed project;</li> <li>• The sub-project is connecting to Leah and Ladkha region of India by connecting through State and National Highways;</li> <li>• Concessionaire has undertaken various community development activities to benefit the local people which were documented in the subsection 33.4 of this report;</li> <li>• There is no pending litigation cases related to land acquisition and compensation.</li> </ul>
9.	Did you discuss with the Lead Bank the applicable environmental and social safeguard requirements and their implementation?	On periodic basis, Lender's consortium meets take place in which Project's physical & financial progress is discussed including critical environmental & social safeguards issues, if any.
10.	For category A subproject, were safeguards related documents such as EIA, RP and IPP, or audit reports made publicly available, in addition to posting on ADB's website?	<p>Kiratpur Ner Chowk Expressway Ltd.. does not fall under category A as per ADB's safeguard requirements.</p> <p>(If yes, please provide website link and the date the documents were uploaded.)</p>
11.	Were any conditions or covenants related to environmental and social issues made along with the investment?	<p>The compliance to the applicable laws of land is included as a covenant in the loan agreement signed by the lead bank and other consortium members with the Concessionaire.</p> <p>(If yes, please briefly describe.)</p>
12.	Does the investment comply with applicable government requirements?	Yes

13.	Does the investment comply with applicable DFI safeguard requirements?	Yes

# ANNEX E-17: PERIODIC ENVIRONMENTAL AND SOCIAL PERFORMANCE REPORT FOR SUBPROJECTS APPROVED UNDER ADB'S LINE OF CREDIT, AIIFI (PFR-I)

Please provide responses to the questions below. Please include additional sheets or attachments as required to provide details on questions that have been answered Yes. IIFCL is required to submit the periodic performance report to DFIs (see footnote below)<sup>1</sup>. This format is only for guidance and could be improved.

<b>Name of Organization</b>	India Infrastructure Finance Company Limited (IIFCL)	
<b>Name of Sub-project</b>	Construction of 400 kV D/C line of 282.60 km length in the state of Haryana and Punjab to establish Transmission System for Northern Region System Strengthening Scheme (NRSS) XXXI B consisting of Kurukshetra-Malerkotla and Malerkotla-Amritsar Transmission line on Build, Own Operate and Maintain (BOOM) basis	
<b>Name of Sub-project Developer</b>	NRSS XXXI (B) Transmission Limited	
<b>Reporting Period</b>	From January 2016 - January 2017	
<b>Audit Activity</b>	<b>Name &amp; Designation</b>	<b>Signature</b>
Prepared by	Mr. Krupasindhu Guru Assistant General Manager (Social Safeguard Specialist)	
	Dr. Rashmi Kadian Assistant General Manager (Environment Specialist)	
Reviewed By	Dr S. S. Garg General Manager & Head, ESMU	
Approved by & Senior Staff with overall responsibility for ESMS implementation	Mr. Sanjeev Ghai Chief General Manager	

## A. Environmental and Social Management System (ESMS)

	<b>Policies &amp; Processes</b>	<b>Yes/ No</b>	
1.	Has your organization developed and implemented an ESMS?	Yes	ESSF was adopted by IIFCL in October 2008 which was subsequently revised in November, 2010 and July 2013 and Addendum to the ESSF for World Bank financed projects was issued in year 2014. The latest revised ESSF of February 2016 is available on IIFCL's website ( <a href="http://www.iifcl.org/WriteReadData/userfiles/file/Final%20ESSF.pdf">http://www.iifcl.org/WriteReadData/userfiles/file/Final%20ESSF.pdf</a> )  (If yes, please attach a copy of the ESMS to this report. Please indicate the date that the ESMS was established.)
2.	If there is an ESMS already in place, have there been any updates to the ESMS or policy and procedures adopted by your organization during the reporting	Yes	Based on ESMU's operational experience & current practices, ESSF has been further revised which is in alignment with Govt. of India Guidelines/Regulations. During February 2016, Latest revised ESSF was approved by IIFCL Board which has been further shared with DFI's during May 2016. Weblink for

<sup>1</sup> Reporting requirements outlined here pertained to ADB. Other DFIs also have similar requirements.

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	period?		the same is given above.  (If yes, please provide a copy of the updates including dates and reasons for the same.)																									
3.	Has senior management signed off on the updated policy/ procedure?	Yes	The ESSF 2016 has been approved by IIFCL Board on 23 <sup>rd</sup> February 2016.  (If yes, please provide the date and internal communication indicating the same.)																									
4.	Has your organization appointed staff tasked to implement the ESMS?	Yes	<p>Environmental and Social Safeguards Management Unit (ESMU) has been set up at IIFCL in 2010 to fulfil the environmental &amp; social safeguard commitments based on ESSF guidelines.</p> <p>The ESMU is headed/ coordinated by a qualified full-time staff of IIFCL and currently two full-time environmental safeguards specialists and one full-time social safeguards specialist are engaged, headed by Head ESMU in the rank of General Manager. The details of the ESMU team as on January 2017 are given below:</p> <table><tr><th>Sl. No</th><th>Name of Employee</th><th>Designation</th><th>Qualification</th><th>Experience in relevant field</th></tr><tr><td>1.</td><td>Dr. S. S. Garg</td><td>General Manager (GM) &amp; Head, ESMU</td><td>Doctorate in Environmental Sciences, Diploma in Industrial Safety, Lead Auditor for ISO 14001 and OHSAS18001</td><td>22 yrs</td></tr><tr><td>2.</td><td>Dr. Ruchi Malik</td><td>Assistant General Manager (AGM)- Environment Specialist</td><td>Doctorate in Environmental Sciences</td><td>15 yrs</td></tr><tr><td>3.</td><td>Dr. Rashmi Kadian</td><td>Assistant General Manager (AGM)- Environment Specialist</td><td>Doctorate in Environmental Sciences</td><td>14 yrs</td></tr><tr><td>4.</td><td>Mr. Krupasin dhu Guru</td><td>Assistant General Manager (AGM)- Social Specialist</td><td>Masters in Economics, Masters in Journalism, and LLB</td><td>15 yrs</td></tr></table> <p>(If yes, please provide information on number of staff and qualification (experience and education background) to implement the ESMS.)</p>	Sl. No	Name of Employee	Designation	Qualification	Experience in relevant field	1.	Dr. S. S. Garg	General Manager (GM) & Head, ESMU	Doctorate in Environmental Sciences, Diploma in Industrial Safety, Lead Auditor for ISO 14001 and OHSAS18001	22 yrs	2.	Dr. Ruchi Malik	Assistant General Manager (AGM)- Environment Specialist	Doctorate in Environmental Sciences	15 yrs	3.	Dr. Rashmi Kadian	Assistant General Manager (AGM)- Environment Specialist	Doctorate in Environmental Sciences	14 yrs	4.	Mr. Krupasin dhu Guru	Assistant General Manager (AGM)- Social Specialist	Masters in Economics, Masters in Journalism, and LLB	15 yrs
Sl. No	Name of Employee	Designation	Qualification	Experience in relevant field																								
1.	Dr. S. S. Garg	General Manager (GM) & Head, ESMU	Doctorate in Environmental Sciences, Diploma in Industrial Safety, Lead Auditor for ISO 14001 and OHSAS18001	22 yrs																								
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3.	Dr. Rashmi Kadian	Assistant General Manager (AGM)- Environment Specialist	Doctorate in Environmental Sciences	14 yrs																								
4.	Mr. Krupasin dhu Guru	Assistant General Manager (AGM)- Social Specialist	Masters in Economics, Masters in Journalism, and LLB	15 yrs																								
5.	Please give details of any transactions rejected due to environmental and/or social concerns.	Yes	During the reporting period (January 2016 – January 2017) one transaction i.e. GVK Bagodara Vasad Expressway Private Limited was rejected due to environmental &/or social concerns.																									

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			<p>The validity of environmental clearance has expired. As the sub-project did not possess a valid EC, it was found to be non-compliant and recommended for removal from approved list of sub-projects and replaced by a compliant sub-project.</p>
6.	<p>Please state any difficulties and/or constraints related to the implementation of the ESMS.</p>		<p>One of the pre requisites for getting funding (multilateral/bilateral financial institutions like World Bank, Asian Development Bank, and European Investment Bank) under line of credit is the evaluation of the subprojects on environmental and social issues. The ESSF of IIFCL provides an enabling mechanism to IIFCL to meet environmental and social safeguard requirements associated with sub-projects.</p> <p>As per the mandate, IIFCL finances upto 20% of project cost, thus, IIFCL is a minor partner in the consortium. IIFCL follows the ESSF, whereas the other lending partners do not have such safeguard framework.</p> <p>The environmental and social safeguard requirement of any infrastructure project requires screening of vast quantum of data / information / statutory approvals / permits / periodic compliance monitoring reports etc. as per National safeguards requirements. Extracting this information from the developer is a time consuming process and is a challenging task.</p> <p>IIFCL monitors the project through Lender's Engineer Report, site visits and E&amp;S information sought from the concessionaire periodically.</p>
7.	<p>Please describe how you ensure that your clients and their investments are operated in compliance with the national laws and regulations and applicable DFI's safeguard requirements.</p>		<p>In the Common Loan Agreement for each project funded by IIFCL, certain covenants are always put up reflecting concessionaire's liability to comply with applicable laws of land as required for project implementation.</p> <p>The safeguard compliance status of the project is examined during the due diligence study of the project. After the approval of the project by the DFIs, ESMU conducts annual audit of the projects to review whether the projects are operated in compliance with the applicable laws and regulations.</p> <p>To ensure compliance with DFIs safeguards requirements reports on implementation of EMP, reports on monitoring of environmental parameters, status of safety management, LIE reports and six monthly compliance reports are generally shared by developer with IIFCL. The borrowers also engage safety officers/engineers to look after the safety, health and environment related aspects.</p>
8.	<p>Please give details of any material social and environmental issues associated with clients during the reporting period in particular.</p>		<p>The environmental and social safeguard requirement of any infrastructure project requires screening of vast quantum of data / information / statutory approvals / permits / periodic compliance monitoring reports etc. as per National safeguards requirements. Extracting this information from the developer is a time consuming process and is a challenging task.</p> <p>IIFCL monitors the project through Lender's Engineer Report, site visits and E&amp;S information sought from the concessionaire periodically. No such social issues are associated with the subproject during the reporting period.</p>

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9.	In case the existing ESMS is not fully functional, what are the action plan beining implemented by your organization?		Presently, existing ESMU is functional.  (Please provide information or cite recommendation made by DFI's review mission to improve the ESMS and its implementation.)
	<b>Capacity</b>	Yes/ No	
10.	Please provide the name and contact information of the senior staff who has the overall responsibility for the implementation of ESMS.	Yes	Mr Sanjeev Ghai, Chief General Manager has the overall responsibility for the implementation of ESSF. His contact information are provided below:  Telephone : +91 11 23450263, 23450261 (Direct); Email : <a href="mailto:sanjeevghai@iifcl.org">sanjeevghai@iifcl.org</a>  (Please describe the training or learning activities the Environmental/Social Officer or Coordinator attended during the year.)
11.	Please provide current staffing of other core ESMS persons in the organization involved with ESMS implementation.	Yes	Please refer Section A, point no. 4 for details of ESMU persons of IIFCL.  Please find attached details of Training programmes attended by ESMS Staff during reporting period of January 2016 to January 2017 as <b>Annexure-I</b> .  (Please describe the training provided to the ESMS persons and other team members during the year.)
12.	What was the budget allocated to the ESMS and its implementation during the year?	Yes	ESMU is the core team of IIFCL and requisite budgetory provision is a part of IIFCL's budget.  (Please provide budget details including staff costs and training as well as any actual costs.)
	<b>Monitoring</b>		
13.	Do you receive environmental and social monitoring reports from Lead Banks/Borrowers?	Yes	The project is monitored through Lenders Engineer's reporting. The Lender's Independent Engineer is appointed by the Lead Bank of the Lender's Consortium to monitor the physical, financial progress and the compliance of various regulatory requirements. Periodic LIE reports are provided by the Lead Bank to the IIFCL. The LIE reports generally cover areas related to statutory approval status, forest diversion, tree cutting status, safety management, land acquisition status, utility shifting and pending litigation etc.  From Borrowers, IIFCL receives reports on implementation of EMP, reports on monitoring of environmental parameters, status of safety management and six monthly compliance reports, etc.  (If yes, please describe and provide supporting documents including any social and environmental considerations if applicable.)
14.	Do you check for ongoing compliance of your clients with national regulation and any other requirements?	Yes	During the environmental and social due diligence study and subsequent audit, the compliance of the project with the applicable regulation is checked with available documentation. The site visit is carried out by ESMU for field verification.  (If yes, please describe the process including any social and environmental considerations if applicable.)
15.	Please describe how you monitor the clients and their invesetments' social and environmental performance.		All the subprojects are invariably visited at the time of ESDDR preparation. Further Audit purposes, it was discussed that only a percentage of such projects would be visited if there are any pending safeguards issues. Therefore for audit purpose only limited projects were visited.  The social and environmental performances are checked

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			<p>during the preparation of Environmental and Social Due Diligence Report and annual audit. Each approved project is evaluated for its environmental and social safeguard compliance performance against the applicable safeguard requirements at the time of annual audit. The compliance status is also assessed through the LE report which covers the statutory approval status, forest diversion, tree cutting status, safety management, land acquisition, shifting of common property resources status and pending litigation etc; reports on implementation of EMP, reports on monitoring of environmental parameters, status of safety management, six monthly compliance reports and through site visits.</p> <p>Out of the 16 sub-projects approved under AIIFI Line of credit, site visits were conducted for three sub-projects in the year 2016 and two projects were visited at the end of 2015 for the purpose of ESDDR preparation. Three sub-projects undergoing construction phase, were also visited in the year 2016 for annual audit purpose. Projects which achieved COD during reporting period &amp; approved under Takeout Finance scheme by ADB, were not considered necessary for site visit as there were no pending or critical issues are found. For such cases, safeguards audit reports have been prepared based on review of safeguards compliance information/records related to project and discussions with project developer team.</p> <p>(Please describe and provide supporting documents such as environmental and social monitoring reports and please provide information on the number of subprojects where a field visit was conducted by staff to review aspects including social and environmental issues.)</p>
16.	<p>Please provide details of any accidents/litigation/complaints /regulatory notices and fines:</p> <ul style="list-style-type: none"> <li>- Any incidents of non-compliance with the applicable Environmental and Social Requirements</li> <li>- Covenants/conditionalities imposed by IIFCL to the client as a result of any non-compliance</li> </ul>		The project specific details are provided in Section 'C'.
	<b>Reporting</b>		
17.	Is there an internal process to report on social and environmental issues to Senior management?	Yes	<p>The ESDDR (one time document) and Audit sheets are approved by the Senior Management.</p> <p>The ESDDR is a detailed report on environmental as well as social safeguards and annual audit sheet is reported in the present format.</p> <p>(If yes, please explain the process, reporting format and frequency and actions taken if any.)</p>
18.	<p>Do you prepare any social and environmental reports:</p> <ul style="list-style-type: none"> <li>- For other multilateral agencies</li> <li>- Other stakeholders</li> <li>- E&amp;S reporting in the Annual Report</li> <li>- Sustainability reports</li> </ul>	Yes	<p>ESMU prepares Environment and Social Due Diligence report for the projects which are posed to other DFIs to draw down, under their line of credit. IIFCL's annual report also reports on the ESSF since the year 2008-09 and ESMU since its inception in the year 2009-10.</p> <p>The Annual Reports are uploaded on IIFCL website and weblink for the same is <a href="http://www.iifcl.org/Content/report.aspx?mid=17&amp;bid=2&amp;cid=1">http://www.iifcl.org/Content/report.aspx?mid=17&amp;bid=2&amp;cid=1</a></p> <p>(If yes, please provide copies of these reports.)</p>

<b>B. Activities on DFI's Prohibited Investment Activities List</b>		
1.	If any, please indicate the dollar percentage of loans or investments out of your total outstanding exposure provided to clients who are substantially involved in DFI's Prohibited Investment Activities List (Refer to Annexure V of SPS 2009).	Not applicable, since, IIFCL does not involve in the prohibited investment activities.
2.	If the percentage is not zero, please explain these exposures and any steps having been taken to reduce such exposure.	Not applicable

### C. Subprojects Using DFI Funds

Please provide information about all new investments using DFI funds approved during this reporting period.

1.	Name of Subproject:	Sub-project Developer: NRSS XXXI (B) Transmission Limited  Sub-project: Construction of 400 kV D/C line of 282.60 km length in the state of Haryana and Punjab to establish Transmission System for Northern Region System Strengthening Scheme (NRSS) XXXI B consisting of Kurukshetra-Malerkotla and Malerkotla-Amritsar Transmission line on Build, Own Operate and Maintain (BOOM) basis
2.	Location:	400 kV D/C transmission line from Kurukshetra – Malerkotla and Malerkotla – Amritsar in the State of Haryana and Punjab
3.	Sector:	Transmission
4.	Total loan from IIFCL/DFI (US\$ MN):	12. 32 US \$ MN
5.	Safeguard category: (Annex E-3)	Environment Category: B  No Indigenous People are involved in this project  No Rehabilitation and resettlement are involved in this project. Further, this project is a transmission project. Moreover, Indian Telegraph Act 1885, Part III, Section 10 (b) prohibits acquisition of any right other than that of use only during the construction period. Land for towers and right of way is not acquired and agricultural activities are allowed to continue.  The project does not involve any Indigenous people.
6.	Were any environmental and social due diligence undertaken by your organization?	Environmental & Social Due-Diligence for NRSS XXXI (B) Transmission Limited was undertaken by ESMU Safeguard Specialists for which desk review of safeguards related documents was carried out along with field verification on 16 <sup>th</sup> June 2015. The site visit was accompanied by Financial Analyst and Safeguards Specialist of the ADB.  Review of safeguard related information was also done for the period January 2016 to January 2017 for annual audit purpose.  (If yes, provide information on due diligence activities, such as desk review of safeguard documents, and field visit, and by whom.)
7.	Any environmental assessment report (including	<b>Environmental Safeguard:</b>

**NRSS XXXI (B) Transmission Limited**

<p>environmental management plan), involuntary resettlement plan, or indigenous peoples plan, or audit reports reviewed by your organization?</p>	<p>The Environmental Safeguard Due-Diligence study was carried out for the sub-project on the basis of site visit observations and understanding project scope based on information and documents provided by the Concessionaire.</p> <p>NRSS XXXI (B) Transmission Ltd. (NRSSTL) is not passing through any ecologically sensitive area. Transmission lines are not included in the list of projects or activities requiring prior environmental clearance and hence this is exempted from obtaining the same, therefore no ESIA study was conducted for NRSSTL. However, during ESDDR preparation a consolidated EMP was proposed to M/s. NRSSTL compiling all the necessary information towards selection of project alignment and construction activities considering environmental impacts. The EMP was endorsed by the Developer and is being implemented at the sub-project sites.</p> <p>The following documents were referred/reviewed in order to prepare Environmental Safeguards Due-Diligence Report:</p> <ul style="list-style-type: none"> <li>• Detailed Project Report</li> <li>• Project Statutory Approvals</li> <li>• Project HSE Documents</li> <li>• Public Notices</li> <li>• Lender's Independent Engineer's Report for March 2015</li> <li>• EPC Contract Documents</li> <li>• Project Information Memorandum (PIM)</li> </ul> <p><b>Social Safeguard</b></p> <p>The social due diligence report for the project has been initiated after review of Information Memorandum (IM), DPR, all other clearances, licenses, Gazette notification and notice under Indian Telegraph Act, 1885. On site visit and detail consultation/discussion with the project developer NRSSTL and various permits and approvals relating to the project to understand the salient features of the project and various social concerns. The following documents/Reports/Licenses and notifications were referred in order to prepare the Social Safeguard Due Diligence Report:</p> <ul style="list-style-type: none"> <li>• Information Memorandum (IM);</li> <li>• Detail Project Report (DPR)</li> <li>• Lenders Independents Engineers Report (LIE) (March 2015);</li> <li>• Gazette Notification;</li> <li>• Transmission License;</li> <li>• Labour License;</li> <li>• Notice under Indian Telegraphic Act, 1885</li> <li>• Information regarding the methodology adopted for crop compensation;</li> <li>• Discussion with developer during site visit.</li> </ul> <p>Generally a project comes to IIFCL after the technical closure and prior to the financial closure, where preparation of all the documents like PIM, EIA land acquisition and compensation etc. have been initiated and finalized by the Concessioneing Authority where IIFCL have a very limited role to play.</p> <p>Due diligence for a project conducted based on the available documents like PIM EIA, Permits &amp; clearances, Land acquisition and compensation etc., verification of pending litigation cases (if any) and discussions during the site visit was also carried out for the project.</p>
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**NRSS XXXI (B) Transmission Limited**

		<p>No land acquisition involve in this subproject. Only RoW has been used by the subproject developer during the excavation, erection and string of Transmission line and compensation has paid for this.</p> <p>The project does not involve any Indigenous people.</p> <p>The project does not involve any rehabilitation and resettlement.</p> <p>(If yes, please provide the names of documents reviewed.)</p>
8.	<p>What were the main environmental, involuntary resettlement and indigenous peoples issues associated with this subproject that were identified through due diligence conducted by your organization, and how were the issues dealt with (i.e., outcome of due diligence)?</p>	<p><b><u>Environmental Safeguard</u></b></p> <p>The Environmental Safeguard Due-Diligence study was carried out for the sub-project on the basis of site visit observations and understanding project scope based on information and documents provided by the Concessionaire. There were no environmental issues identified to be addressed at the sub-project at the time of due diligence.</p> <p>The following documents were referred for the purpose of annual audit of the sub-project:</p> <ul style="list-style-type: none"> <li>• EMP implementation &amp; compliance status</li> <li>• Status &amp; Copies of statutory permits &amp; approvals</li> <li>• Labour license and insurance</li> <li>• Incident register</li> <li>• Details on payment towards trees</li> <li>• Contingency report September 2016</li> <li>• New paper notifications for charging</li> <li>• Construction Monitoring Report for March, June, September 2016</li> </ul> <p>Following are the observations / outcome of the review of documents / information for annual audit :</p> <ul style="list-style-type: none"> <li>• The EMP are implemented at the sub-project and EMP implementation status is found to be adequate.</li> <li>• The developer has confirmed and shared the statutory approvals/consents required for implementation of the sub-project.</li> <li>• Adequate institutional arrangement exists at the sub-project contractors for implementation of EMP and to oversee &amp; enforce HSE related aspects.</li> <li>• EHS reports &amp; compliance are in practice at site.</li> <li>• A safety meeting and personal protective equipment (PPE) talk is conducted before start of work at site.</li> <li>• Workers are provided PPE like harness (for working at height), safety shoes, goggles, helmets, gloves etc.</li> <li>• Adequate warning and alarm system were in place. Electrical gadgets (weld machine, etc.) were having expert welders and fuse system cut outs.</li> <li>• Excavated earth is used as fill. Debris was noticeably absent as reported by LIE.</li> <li>• As per RFP documents there was no forest in the route. However, while executing the project, NRSSTL has encountered stretches along canals, highways, rivers etc. which are declared forest by Punjab and Haryana State Govt. Total forest encountered is 10.43 Ha i.e. 5.43 Ha in</li> </ul>

## NRSS XXXI (B) Transmission Limited

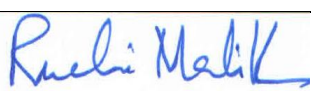
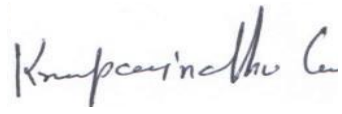

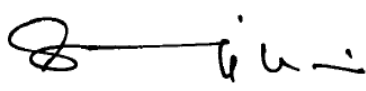
		<p>Kurukshetra Line and 5 Ha in Malerkotla Line. NRSSTL is in the process of getting forest clearance. Formal forest clearance has been granted for 2.1247 ha forest land in the State of Haryana by MOEFCC. In-principal forest clearance has been granted for remaining 5.0064 ha + 3.3083 ha forest land in the State of Punjab. Developer has shared the copies of clearances with IIFCL and has also incurred the payment towards various heads for diversion of forest land as compliance towards the conditions of Stage I forest clearance.</p> <p>On review of the safeguard information, it is found that no environmental issues are identified and the EMP implementation, safety measures and institutional arrangement for the same is adequate at the sub-project.</p> <p><b>Social Safeguard</b></p> <ul style="list-style-type: none"> <li>• The subproject NRSSTL was prepared by REC Transmission Projects Company Ltd. to establish the transmission system for the Northern Region System Strengthen scheme through tariff based competitive bidding process.</li> <li>• The sup project, NRSSTL has been prepared prior to the ADB's involvement and IIFCL entered into the project after technical closure and before the financial closure of the project.</li> <li>• The subproject NRSSTL was prepared by REC Transmission Projects Company Ltd. for its own requirement not in anticipation of ADB's procedure.</li> <li>• Crop compensation is being paid to the land owners as per section 164 of The Electricity Act 2003 and Indian Telegraph Act 1885;</li> <li>• The compensation for the loss crops or any other temporary impact due to the loss of property is being paid in three stages. At first it is paid during the construction of foundation of the tower, second time during the tower erection and lastly during the stringing stage;</li> <li>• The project has planned to maintain safe distances all along the corridor and ensure mitigations for adverse impacts if any. Grievances, if any are properly handled and addressed in a timely and appropriate manner.</li> <li>• It appears that the proposed transmission line is not intersecting any village settlement and also not passing through any urban establishment;</li> <li>• The Right of Way (ROW) is being arranged by the sub-contractor with payment of crop compensation on behalf of NRSSTL during execution of the project.</li> <li>• It appears that the transmission line is not lead to any impact on common property resources;</li> <li>• The sub-contractors have obtained requisite labour licenses and labours are insured and covered under work men's compensation for any untoward incident.</li> </ul>
9.	Did you discuss with the Lead Bank the applicable environmental and social	However, Lenders' Independent Engineers (LIE) appointed by the lead bank is submitting the Monthly Progress Report (MPR) within the consortium as per the agreed frequency is monthly. Generally,

**NRSS XXXI (B) Transmission Limited**

	safeguard requirements and their implementation?	IIFCL meets the Lenders' quarterly as agreed in the consortium and discussed regarding the pending issue if any.
10.	For category A subproject, were safeguards related documents such as EIA, RP and IPP, or audit reports made publicly available, in addition to posting on ADB's website?	NRSS XXXI (B) Transmission Limited does not fall under category A as per ADB's safeguard requirements.  (If yes, please provide website link and the date the documents were uploaded.)
11.	Were any conditions or covenants related to environmental and social issues made along with the investment?	The compliance to the applicable laws of land is included as a covenant in the loan agreement signed by the lead bank and other consortium members with the Concessionaire.  (If yes, please briefly describe.)
12.	Does the investment comply with applicable government requirements?	Yes
13.	Does the investment comply with applicable DFI safeguard requirements?	Yes

**ANNEX E-17: PERIODIC ENVIRONMENTAL AND SOCIAL PERFORMANCE REPORT FOR  
SUBPROJECTS APPROVED UNDER ADB'S LINE OF CREDIT, AIIFI (PFR-1)**

Please provide responses to the questions below. Please include additional sheets or attachments as required to provide details on questions that have been answered Yes. IIFCL is required to submit the periodic performance report to DFIs (see footnote below)<sup>1</sup>. This format is only for guidance and could be improved.

Name of Organization	India Infrastructure Finance Company Limited (IIFCL), New Delhi	
Name of Sub-project	Engineering, construction, installation and commissioning of the 25 MW solar PV power plant	
Name of Sub-project Developer	Sand Land Real Estates Pvt. Ltd.	
Reporting Period	From January 2016 to January 2017	
<b>Audit Activity</b>	<b>Name of Audit Team Member &amp; Designation</b>	<b>Signature</b>
Prepared by:	Dr. Ruchi Malik Assistant General Manager (Environment Specialist) ESMU, IIFCL  Mr. Krupasindhu Guru Assistant General Manager (Social Safeguard Specialist) ESMU, IIFCL	  
Reviewed by:	Dr. S.S. Garg, General Manager & Head- ESMU, IIFCL	
Approved by Senior Staff with Overall responsibility for ESMS Implementation	Mr. Sanjeev Ghai, Chief General Manager, IIFCL	

**A. Environmental and Social Management System (ESMS)**

Sr. No.	Policies & Processes	Yes/No	
1.	Has your organization developed and implemented an ESMS?	Yes	ESSF was adopted by IIFCL in October 2008 which was subsequently revised in November, 2010 and July 2013 and Addendum to the ESSF for World Bank financed projects was issued in year 2014. The latest revised ESSF of February 2016 is available on IIFCL's website ( <a href="http://www.iifcl.org/WriteReadData/userfiles/file/Final%20ESSF%20Feb%202016%2023_5_2016%20(1).pdf">http://www.iifcl.org/WriteReadData/userfiles/file/Final%20ESSF%20Feb%202016%2023_5_2016%20(1).pdf</a> )

<sup>1</sup> Reporting requirements outlined here pertained to ADB. Other DFIs also have similar requirements.

			(If yes, please attach a copy of the ESMS to this report. Please indicate the date that the ESMS was established.)																										
2.	If there is an ESMS already in place, have there been any updates to the ESMS or policy and procedures adopted by your organization during the reporting period?	Yes	Based on ESMU's operational experience & current practices, ESSF has been further revised which is in alignment with Govt. of India Guidelines/Regulations. During February 2016, Latest revised ESSF was approved by IIFCL Board which has been further shared with DFI's during May 2016. Weblink for the same is given above.  (If yes, please provide a copy of the updates including dates and reasons for the same.)																										
3.	Has senior management signed off on the updated policy/ procedure?	Yes	Latest revised ESSF has been approved by IIFCL Board on 23 <sup>rd</sup> February, 2016.  (If yes, please provide the date and internal communication indicating the same.)																										
4.	Has your organization appointed staff tasked to implement the ESMS?	Yes	<p>Environmental and Social Safeguards Management Unit (ESMU) has been set up at IIFCL in 2010 to fulfil the environmental &amp; social safeguard commitments based on ESSF guidelines.</p> <p>The ESMU is headed/ coordinated by a qualified full-time staff of IIFCL and currently two full-time environmental safeguards specialists and one full-time social safeguards specialist are engaged. The details of the ESMU team as on 31<sup>st</sup> January, 2017 are given below:</p> <table border="1"> <thead> <tr> <th>Sl. No</th><th>Name of Employee</th><th>Designation</th><th>Qualification</th><th>Experience in relevant field</th></tr> </thead> <tbody> <tr> <td>1.</td><td>Dr. S. S. Garg</td><td>General Manager</td><td>Doctorate in Environmental Sciences, Diploma in Industrial Safety, Lead Auditor for ISO 14001 and OHSAS18001</td><td>22 yrs</td></tr> <tr> <td>2.</td><td>Dr. Ruchi Malik</td><td>Assistant General Manager - Environment Specialist</td><td>Doctorate in Environmental Sciences</td><td>15 yrs</td></tr> <tr> <td>3.</td><td>Dr. Rashmi Kadian</td><td>Assistant General Manager - Environment Specialist</td><td>Doctorate in Environmental Sciences</td><td>14 yrs</td></tr> <tr> <td>4.</td><td>Mr. Krupasindhu Guru</td><td>Assistant General Manager - Social</td><td>Masters in Economics, Masters in Journalism,</td><td>15 yrs</td></tr> </tbody> </table>		Sl. No	Name of Employee	Designation	Qualification	Experience in relevant field	1.	Dr. S. S. Garg	General Manager	Doctorate in Environmental Sciences, Diploma in Industrial Safety, Lead Auditor for ISO 14001 and OHSAS18001	22 yrs	2.	Dr. Ruchi Malik	Assistant General Manager - Environment Specialist	Doctorate in Environmental Sciences	15 yrs	3.	Dr. Rashmi Kadian	Assistant General Manager - Environment Specialist	Doctorate in Environmental Sciences	14 yrs	4.	Mr. Krupasindhu Guru	Assistant General Manager - Social	Masters in Economics, Masters in Journalism,	15 yrs
Sl. No	Name of Employee	Designation	Qualification	Experience in relevant field																									
1.	Dr. S. S. Garg	General Manager	Doctorate in Environmental Sciences, Diploma in Industrial Safety, Lead Auditor for ISO 14001 and OHSAS18001	22 yrs																									
2.	Dr. Ruchi Malik	Assistant General Manager - Environment Specialist	Doctorate in Environmental Sciences	15 yrs																									
3.	Dr. Rashmi Kadian	Assistant General Manager - Environment Specialist	Doctorate in Environmental Sciences	14 yrs																									
4.	Mr. Krupasindhu Guru	Assistant General Manager - Social	Masters in Economics, Masters in Journalism,	15 yrs																									

			<table><tr><td></td><td></td><td>Specialist</td><td>and LLB</td><td></td></tr></table>			Specialist	and LLB	
		Specialist	and LLB					
			(IF yes, please provide information on number of staff and qualification (experience and education backgroud) to implment the ESMS.)					
5.	Please give details of any transactions rejected due to environmental and/or social concerns.	No	<p>During the reporting period (January 2016 – January 2017) one transaction i.e. GVK Bagodara Vasad Expressway Private Limited was replaced due to environmental concerns.</p> <p>The validity of environmental clearance got expired for this project. As the sub-project did not possess a valid EC, it was found to be non-compliant and recommended for removal from approved list of sub-projects and replaced by a compliant sub-project.</p>					
6.	Please state any difficulties and/or constraints related to the implementation of the ESMS.		<p>One of the pre requisites for getting funding (multilateral/bilateral financial institutions like World Bank, Asian Development Bank, and European Investment Bank) under line of credit is the evaluation of the subprojects on environmental and social issues. The ESSF of IIFCL provides an enabling mechanism to IIFCL to meet environmental and social safeguard requirements associated with sub-projects.</p> <p>As per the mandate, IIFCL finances upto 20% of project cost thus, IIFCL is a minor partner in the consortium. IIFCL follows the ESSF, whereas the other lending partners do not have such safeguard framework.</p> <p>The environmental and social safeguard requirement of any infrastructure project requires screening of vast quantum of data / information / statutory approvals / permits / periodic compliance monitoring reports etc. as per National safeguards requirements. Extracting this information from the developer is a time consuming process and is a challenging task.</p>					
7.	Please describe how you ensure that your clients and their investments are operated in compliance with the national laws and regulations and applicable DFI's safeguard requirements.		<p>In the Common Loan Agreement for each project funded by IIFCL, certain covenants are always put up reflecting concessionaire's liability to comply with applicable laws of land as required for project implementation.</p> <p>The safeguard compliance status of the project is examined during the due diligence study of the project. After the approval of the project by the DFIs, ESMU conducts annual audit of the projects to review whether the projects are operated in compliance with the applicable laws and regulations.</p> <p>To ensure compliance with DFIs safeguards requirements reports on implementation of EMP, reports on monitoring of environmental quality parameters, status of labour and safety management at project site, Periodic LIE reports and six monthly compliance reports submitted to MoEF are generally shared by developer with IIFCL. The borrowers also engage EHS Corodinator/safety officers/engineers to</p>					

			look after the safety, health and environment related aspects.
8.	Please give details of any material social and environmental issues associated with clients during the reporting period in particular.		<p>The environmental safeguards requirement of any infrastructure project requires screening of vast quantum of data / information / statutory approvals / permits / periodic compliance monitoring reports etc. as per National safeguards requirements. Extracting this information from the developer is a time consuming process and is a challenging task.</p> <p>In case of social safeguards, no such issues were associated with the subproject during the reporting period.</p>
9.	In case the existing ESMS is not fully functional, what are the action plan beining implemented by your organization?		<p>Presently, existing ESMU is functional.</p> <p>(Please provide information or cite recommendation made by DFI's review mission to improve the ESMS and its implementation.)</p>
	<b>Capacity</b>	<b>Yes/No</b>	
10.	Please provide the name and contact information of the senior staff who has the overall responsibility for the implementation of ESMS.	Yes	<p>Mr Sanjeev Ghai, Chief General Manager has the overall resposibilty for the implementation of ESSF. His contact information is provided below:</p> <p>Telephone : +91 11 23450263, 23450261(Direct); Email : <a href="mailto:sanjeevghai@iifcl.org">sanjeevghai@iifcl.org</a></p> <p>(Please describe the training or learning activities the Environmental/Social Officer or Coordinator attended during the year.)</p>
11.	Please provide current staffing of other core ESMS persons in the organization involved with ESMS implementation.	Yes	<p>Please refer Section A, point no. 4 for details of ESMU persons of IIFCL.</p> <p>Please find attached details of Training programmes attended by ESMS Staff during reporting period of January 2016 to January 2017 as <b>Annexure-I</b>.</p> <p>(Please describe the training provided to the ESMS persons and other team members during the year.)</p>
12.	What was the budget allocated to the ESMS and its implementation during the year?	Yes	<p>ESMU is the core team of IIFCL and requisite budgetory provision is a part of IIFCL's overall budget.</p> <p>(Please provide budget details including staff costs and training as well as any actual costs.)</p>
	<b>Monitoring</b>		
13.	Do you receive environmental and social monitoring reports from Lead Banks/Borrowers?	Yes	<p>The project is monitored through Lenders Engineer's reporting. The Lender's Independent Engineer is appointed by the Lead Bank of the Lender's Consortium to monitor the physical, financial progress and the compliance of various regulatory requirements. LIE reports are provided by the Lead Bank to the IIFCL. The LIE reports generally cover areas related to statutory approval status, forest diversion, tree cutting status, safety management, land acquisition status and pending litigation etc.</p> <p>From Borrowers, IIFCL receives reports on implementation of EMP, reports on monitoring of environmental quality parameters, status of safety management at project site and six monthly compliance reports submitted to MoEF, Statutory Permitting status, Institutional arrangement, Accident/Incident data etc..</p>

			(If yes, please describe and provide supporting documents including any social and environmental considerations if applicable.)
14.	Do you check for ongoing compliance of your clients with national regulation and any other requirements?	Yes	<p>During the environmental and social due diligence study and subsequent audit, the compliance of the project with the applicable regulation is checked with available documentation. For projects having critical issues related to Safeguards compliance, The site visit is carried out by ESMU for field verification &amp; monitor the Implementation progress.</p> <p>(If yes, please describe the process including any social and environmental considerations if applicable.)</p>
15.	Please describe how you monitor the clients and their investments social and environmental performance.		<p>The social and environmental performances are checked during the preparation of Environmental and Social Due Diligence Report and annual audit. Each approved project is evaluated for its environmental and social safeguard compliance performance against the applicable safeguard requirements at the time of annual audit. The compliance status is also assessed through the LIE report which covers the statutory approval status, forest diversion, tree cutting status, safety management, land acquisition, shifting of common property resources status and pending litigation etc; reports on implementation of EMP, reports on monitoring of environmental parameters, status of safety management, six monthly compliance reports and through site visits.</p> <p>Out of the 16 sub-projects approved under AIIFI Line of credit, site visits were conducted for 3 sub-projects in the year 2016 and 2 projects were visited at the end of 2015 for the purpose of ESDDR preparation. Three sub-projects undergoing construction phase, were also visited in the year 2016 for annual audit purpose. Projects which achieved COD during reporting period &amp; approved under Takeout Finance scheme by ADB, were not considered necessary for site visit as there are no pending or critical issues found. For such cases, safeguards audit reports have been prepared based on review of safeguards compliance information/records related to project and discussions with project developer team.</p> <p>(Please describe and provide supporting documents such as environmental and social monitoring reports and please provide information on the number of subprojects where a field visit was conducted by staff to review aspects including social and environmental issues.)</p>
16.	<p>Please provide details of any accidents/litigation/complaints /regulatory notices and fines:</p> <ul style="list-style-type: none"> <li>- Any incidents of non-compliance with the applicable Environmental and Social Requirements</li> <li>- Covenants/conditionalities imposed by IIFCL to the client as a result of any non-compliance</li> </ul>		The project specific details are provided in Section 'C'.
	<b>Reporting</b>		
17.	Is there an internal process to report on social and environmental	Yes	The ESDDR (one time document) and Audit sheets are approved by the Senior Management.

	issues to Senior management?		<p>The ESDDR is a detailed due-diligence report on environmental &amp; social safeguards and annual audit sheet is reported in the present format in which this environmental and social performance report has been prepared.</p> <p>(If yes, please explain the process, reporting format and frequency and actions taken if any.)</p>
18.	<p>Do you prepare any social and environmental reports:</p> <ul style="list-style-type: none"> <li>- For other multilateral agencies</li> <li>- Other stakeholders</li> <li>- E&amp;S reporting in the Annual Report</li> <li>- Sustainability reports</li> </ul>	Yes	<p>ESMU prepares Environment and Social Due Diligence report for the projects which are posed to other DFIs to draw down, under their line of credit. IIFCL's annual report also reports on the ESSF since the year 2008-09 and ESMU since its inception in the year 2009-10.</p> <p>The Annual Reports are uploaded on IIFCL website and weblink for the same is given below:</p> <p><a href="http://www.iifcl.org/Content/report.aspx?mid=17&amp;bid=2&amp;cid=1">http://www.iifcl.org/Content/report.aspx?mid=17&amp;bid=2&amp;cid=1</a></p> <p>(If yes, please provide copies of these reports.)</p>

Sr. No.	B. Activities on DFI's Prohibited Investment Activities List	
1.	If any, please indicate the dollar percentage of loans or investments out of your total outstanding exposure provided to clients who are substantially involved in DFI's Prohibited Investment Activities List (Refer to Annexure V of SPS,2009)	Not applicable, since, IIFCL does not finance in activities as per prohibited investment list.
2.	If the percentage is not zero, please explain these exposures and any steps having been taken to reduce such exposure.	Not applicable

### C. Subprojects Using DFI Funds

Please provide information about all new investments using DFI funds approved during this reporting period.

1.	Name of Subproject:	<p>Engineering, construction, installation and commissioning of the 25MW solar PV power plant</p> <p>Sub-project Developer: Sand Land Real Estates Pvt. Ltd.</p>
2.	Location:	Banaskantha District in the State of Gujarat, India
3.	Sector:	Solar Power
4.	Total loan from IIFCL/DFI (US\$ mn):	10.17 USD Million
5.	Safeguard category: (Annex E-3)	<p>Environmental Impacts: Category B</p> <p>Involuntary Resettlement: Category C</p> <p>Indigenous Peoples: Category C</p>
6.	Were any environmental and social	Yes, Environmental & Social Due-diligence for Sand Land

	due diligence undertaken and by your organization?	<p>Real Estates Pvt. Ltd. was undertaken by Environmental and Social safeguard specialists of IIFCL (Dr. Ruchi Malik &amp; Ms. Rumita Chowdhury) for which desk review of safeguards documents was carried out. A site visit was also undertaken by the Environmental and Social safeguard specialists of IIFCL on 22nd September, 2015 for field verification of environment and social safeguards related aspects of the project. During the site visit, the IIFCL safeguard specialist had a detailed discussion with the O&amp;M team of the project.</p> <p>For annual audit purposes, review of safeguards information has been done for the period January 2015 to December 2015 and January 2016 to January 2017 as part of audit activity.</p>
7.	Any environmental assessment report (including environmental management plan), involuntary resettlement plan, or indigenous peoples plan, or audit reports reviewed by your organization?	<p>The Environmental and Social Safeguard Due-Diligence study was carried out for the sub-project on the basis of site visit observations and understanding project scope based on information and documents provided by the Concessionaire:</p> <p><b>Environment Safeguards:</b> The following documents were referred/reviewed in order to prepare Environmental Safeguards Due-Diligence Report:</p> <ul style="list-style-type: none"> <li>• Initial Environmental Examination Report(IEE) ;</li> <li>• Project Statutory Approvals;</li> <li>• HSE Manual for SREPL;</li> <li>• Sample Copy of HSE Weekly Report (Accident/Incident Report) ;</li> <li>• SREPL's Waste Handling Procedures;</li> <li>• Compliance status of EMP during Construction and O&amp;M Phase ;</li> <li>• Sample Copy of Environmental Quality Monitoring Report during O&amp;M phase;</li> <li>• SREPL's Guidelines of EHS Clauses for EPC work Sub-contractors;</li> <li>• Minutes of Meetings for Public Consultation related with CDM studies;</li> <li>• Sample copies of Safety committee Meetings covering Corrective and Preventive Actions;</li> <li>• Details of Grievance Handling Mechanism;</li> </ul> <p><b>Social Safeguards:</b> The Social safeguard due diligence study for the project was undertaken based on the review of following documents:</p> <ul style="list-style-type: none"> <li>• Social Safeguard report;</li> <li>• Details of Community development activities provided by the concessionaire;</li> <li>• Information pertaining to Grievance Redressal Mechanism for the project.</li> <li>• Information on land acquisition;</li> <li>• Details of local labour employment;</li> </ul>

8.	<p>What were the main environmental, involuntary resettlement and indigenous peoples issues associated with this subproject that were identified through due diligence conducted by your organization, and how were the issues dealt with (i.e., outcome of due diligence)?</p>	<p><b>Environment Safeguards:</b></p> <p>During ESDDR preparation, following environmental issues were identified for addressal in the project.</p> <ul style="list-style-type: none"> <li>(i) Project developer was asked to take the permission from Gujarat state ground water board and share copy of groundwater usage permission with IIFCL.</li> <li>(ii) During site visit, it was observed that broken solar modules (including First solar make) were not properly stored on designated places/ concrete platforms in plant site.</li> <li>(iii) Project developer has been asked to maintain good housekeeping practices at site. Some non-conformity observed during site visit were related to storage of waste materials/wires/empty containers, placement of few more safety signage, maintenance of internal roads, presence of wild plants and long grass below solar panels endangering safety of working staff.</li> <li>(iv) As per labour laws, site staff working &amp; staying at plant site, whether technical or non-technical category should be provided with proper drinking water and sanitation facilities. As observed during site visit, security guards staying at site were not provided with sanitation facilities.</li> </ul> <p>Project developer was informed to take corrective actions with indicated timeline.</p> <p>During reporting period, following corrective actions has been implemented by project developer w.r.t. gaps identified above:</p> <ul style="list-style-type: none"> <li>(v) M/s. SREPL has informed that process has been initiated for obtaining permission of Ground water usage from the concerned regulatory authority. NOC application is under progress with Central Ground Water Board.</li> <li>(vi) Proper arrangements for storage of scrap modules are under development at Sandland solar site. Scrap First Solar make modules have already been disposed from Sandland site. Agreement with E-Waste vendor has already been incorporated with GPCB Authorized Vendor ("Pruthvi E-Recycler Private Limited"). Moser Baer &amp; Dupont module (Thin film) disposal shall be completed by Authorized E-waste vendor after clearance from E-waste authorities. M/s. SREPL have also made arrangement for storage of any future broken module on designated places/ concrete platforms in plant site.</li> <li>(vii) Project Developer informed that 5S practice for</li> </ul>
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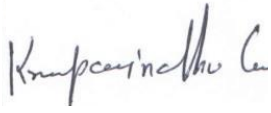
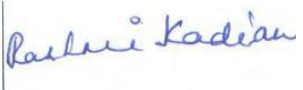

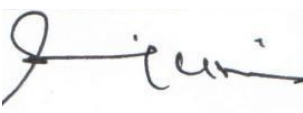
		<p>storage for waste &amp; other items has now been implemented at Sandland site. Grass cutting is regular and ongoing process undertaken at Sandland site.</p> <p>(viii) Project developer informed that security personnel are provided with sanitation facilities at site.</p> <p>The following documents were reviewed for the purpose of annual audit:</p> <ul style="list-style-type: none"> <li>(i) EHS Manual for Sandland Solar Project Site.;</li> <li>(ii) Project's statutory permits applicable during O&amp;M Phase like labour License, Factory License, Fire &amp; Safety approval;</li> <li>(iii) Status of Health, Safety and Environment Management related activities implemented at project site during O&amp;M Phase;</li> <li>(iv) Copy of Weekly EHS report, March 2017</li> <li>(v) Details of Water Consumption and Plantation Photographs at site</li> <li>(vi) Action Plan status for Gaps identified during Due-Diligence study, February 2017</li> <li>(vii) Details of Safety Trainings conducted during Reporting Period</li> <li>(viii) Photographic proof for Safety day celebration at site</li> </ul> <p>Following are the observations / outcome of the review of documents / information for annual audit:</p> <ul style="list-style-type: none"> <li>• All applicable consents/NOCs/clearances were obtained &amp; renewed timely and valid during the audit period;</li> <li>• Project developer has informed that Project Training, Mock drill, Environment &amp; safety audit, are part of monthly EMP plan and being implemented on regular basis. No separate budget allocated for EHS action, expenditure on safety items are part of regular O&amp;M expenses</li> <li>• Hazardous water handling management is part of comprehensive EHS manual and is being followed across site.</li> <li>• Project developer has shared details of water use consumed at project site for domestic purposes and module cleaning. On an average, 30m<sup>3</sup>/day of water is consumed at project site.</li> <li>• Project Developer has confirmed that there were no incidents related to safety issues during the reporting period at project site</li> <li>• Status of actions taken w.r.t. Gaps identified during Due-Diligence Study were found to be acceptable;</li> <li>• Project staff is given periodic trainings on Environment, Health and safety aspects and safety awareness activities are conducted at site.</li> <li>• Project developer has confirmed that there were no major complaints from general public regarding issues related to environmental safeguards implementation at</li> </ul>
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	<p>site.</p> <p>During review of safeguards documents for reporting period, no environmental issues were identified for addressal in Sandland Solar project.</p> <p><b><u>Social Safeguards:</u></b> During the due diligence study, it was noted that,</p> <ul style="list-style-type: none"> <li>• The sub-project was prepared by the Government of Gujarat as per the national and state government requirement and not in anticipation to ADB operation.</li> <li>• Sand Land Real Estate Pvt. Ltd. is in operation from 1st April 2012.</li> <li>• The land for the project was purchased by concessionaire at the rates which was more than the existing Government circle rates.</li> <li>• The project did not had any impact on the settlement area and no cultural and community property was affected due to the project.</li> <li>• Employment opportunities were provided to the local people for various O&amp;M activities. The concessionaire engages local labours for cleaning of modules and grass cutting at the site.</li> <li>• Concessionaire has undertaken community development activities based on the demands raised by the local people.</li> </ul> <p>During the due diligence study, an issue related to providing sanitation facility to the security guards staying at the project site was identified and for which a corrective Action Plan was also agreed with the Concessionaire.</p> <p>Based on the review of documents received for the reporting period, it can be said that,</p> <ul style="list-style-type: none"> <li>• The concessionaire has provided sanitation facility to the security guards staying at the project site.</li> <li>• The land for the project was procured on the basis of willing buyer willing seller concept and Sale deed was executed with local villagers during the purchase of land.</li> <li>• The EHS manual details the Grievance Redressal Mechanism/ procedure to be followed for the project. During the reporting period, no grievances were received from local people.</li> <li>• Women labourers (approx. 5-6 local women labours) from the local area are engaged for non-technical activities (like grass cutting, cleaning etc).</li> <li>• The concessionaire has conducted informal training session on various health related or any other hygiene related activities. An informal training on safe working during grass cutting is regularly provided to labors. Approx. 15-20 Labors engaged for grass cutting session &amp; their supervisory are also provided training on vigilance &amp; probable safety issues during the grass cutting.</li> </ul> <p>The issue related to providing sanitation facility to the</p>
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		security guards has been addressed by the concessionaire during the reporting period. Thus, as per the information received from the concessionaire, the project does not have any pending social safeguard issues during the reporting period.
9.	Did you discuss with the Lead Bank the applicable environmental and social safeguard requirements and their implementation?	<p>Sand Land Real Estate Pvt. Ltd. is in operation from 1st April 2012, so the project doesn't seem to have potential environmental and social safeguards issues.</p> <p>As a general practice in every project, Lender's consortium meets take place on periodic basis in which Project's physical &amp; financial progress is discussed including critical environmental &amp; social safeguards issues, if any.</p>
10.	For category A subproject, were safeguards related documents such as EIA, RP and IPP, or audit reports made publicly available, in addition to posting on ADB's website?	<p>The sub-project doesn't fall under category A as per ADB's safeguards requirements.</p> <p>(If yes, please provide website link and the date the documents were uploaded.)</p>
11.	Were any conditions or covenants related to environmental and social issues made along with the investment?	<p>The compliance to the applicable laws of land is included as a covenant in the loan agreement signed by the Lead Bank and other consortium members with the Concessionaire.</p> <p>(If yes, please briefly describe.)</p>
12.	Does the investment comply with applicable government requirements?	Yes
13.	Does the investment comply with applicable DFI safeguard requirements?	Yes

**ANNEX E-17: PERIODIC ENVIRONMENTAL AND SOCIAL PERFORMANCE REPORT FOR SUBPROJECTS  
APPROVED UNDER ADB'S LINE OF CREDIT, AIIFI (PFR-I)**

Please provide responses to the questions below. Please include additional sheets or attachments as required to provide details on questions that have been answered Yes. IIFCL is required to submit the periodic performance report to DFIs (see footnote below)<sup>1</sup>. This format is only for guidance and could be improved.

<b>Name of Organization</b>	India Infrastructure Finance Company Limited (IIFCL)	
<b>Name of Sub-project</b>	Yamuna Expressway, 6-lane (Extendable upto 8 lane) under Take-out Scheme from Noida to Agra on BOT Basis by Jaypee Infratech Ltd.	
<b>Name of Sub-project Developer</b>	Yamuna Expressway Limited	
<b>Reporting Period</b>	From January - 2016 to January - 2017	
<b>Audit Activity</b>	<b>Name &amp; Designation</b>	<b>Signature</b>
Prepared by	Mr. Krupasindhu Guru Assistant General Manager (Social Safeguard Specialist)	
	Dr. Rashmi Kadian Assistant General Manager (Environment Specialist)	
Reviewed By	Dr S. S. Garg General Manager & Head, ESMU	
Approved by & Senior Staff with overall responsibility for ESMS implementation	Mr. Sanjeev Ghai Chief General Manager	

**A. Environmental and Social Management System (ESMS)**

Sl. No.	Policies & Processes	Yes/ No	
1.	Has your organization developed and implemented an ESMS?	Yes	ESSF was adopted by IIFCL in October 2008 which was subsequently revised in November, 2010 and July 2013 and Addendum to the ESSF for World Bank financed projects was issued in year 2014. The latest revised ESSF of February 2016 is available on IIFCL's website ( <a href="http://www.iifcl.org/WriteReadData/userfiles/file/Final%20ESSF.pdf">http://www.iifcl.org/WriteReadData/userfiles/file/Final%20ESSF.pdf</a> )  (If yes, please attach a copy of the ESMS to this report. Please indicate the date that the ESMS was established.)
2.	If there is an ESMS already in place, have there been any updates to the ESMS or policy and procedures adopted by your organization during the reporting period?	Yes	Based on ESMU's operational experience & current practices, ESSF has been further revised which is in alignment with Govt. of India Guidelines/Regulations. During February 2016, Latest revised ESSF was approved by IIFCL Board which has been further shared with DFI's during May 2016. Weblink for the same is given above.  (If yes, please provide a copy of the updates including dates and reasons for the same.)

<sup>1</sup> Reporting requirements outlined here pertained to ADB. Other DFIs also have similar requirements.

3.	Has senior management signed off on the updated policy/ procedure?	Yes	<p>The ESSF 2016 has been approved by IIFCL Board on 23<sup>rd</sup> February 2016.</p> <p>(If yes, please provide the date and internal communication indicating the same.)</p>																									
4.	Has your organization appointed staff tasked to implement the ESMS?	Yes	<p>Environmental and Social Safeguards Management Unit (ESMU) has been set up at IIFCL in 2010 to fulfil the environmental &amp; social safeguard commitments based on ESSF guidelines.</p> <p>The ESMU is headed/ coordinated by a qualified full-time staff of IIFCL and currently two full-time environmental safeguards specialists and one full-time social safeguards specialist are engaged, headed by head ESMU in the rank of General Manger. The details of the ESMU team as on January 2017 are given below:</p> <table><tr><th>Sl. No</th><th>Name of Employee</th><th>Designation</th><th>Qualification</th><th>Experi ence in relevant field</th></tr><tr><td>1.</td><td>Dr. S. S. Garg</td><td>General Manager (GM) &amp; Head, ESMU</td><td>Doctorate in Environmental Sciences, Diploma in Industrial Safety, Lead Auditor for ISO 14001 and OHSAS18001</td><td>22 yrs</td></tr><tr><td>2.</td><td>Dr. Ruchi Malik</td><td>Assistant General Manager (AGM)- Environment Specialist</td><td>Doctorate in Environmental Sciences</td><td>15 yrs</td></tr><tr><td>3.</td><td>Dr. Rashmi Kadian</td><td>Assistant General Manager (AGM)- Environment Specialist</td><td>Doctorate in Environmental Sciences</td><td>14 yrs</td></tr><tr><td>4.</td><td>Mr. Krupasindhu Guru</td><td>Assistant General Manager (AGM)- Social Specialist</td><td>Masters in Economics, Masters in Journalism, and LLB</td><td>15 yrs</td></tr></table> <p>(IF yes, please provide information on number of staff and qualification (experience and education background) to implement the ESMS.)</p>	Sl. No	Name of Employee	Designation	Qualification	Experi ence in relevant field	1.	Dr. S. S. Garg	General Manager (GM) & Head, ESMU	Doctorate in Environmental Sciences, Diploma in Industrial Safety, Lead Auditor for ISO 14001 and OHSAS18001	22 yrs	2.	Dr. Ruchi Malik	Assistant General Manager (AGM)- Environment Specialist	Doctorate in Environmental Sciences	15 yrs	3.	Dr. Rashmi Kadian	Assistant General Manager (AGM)- Environment Specialist	Doctorate in Environmental Sciences	14 yrs	4.	Mr. Krupasindhu Guru	Assistant General Manager (AGM)- Social Specialist	Masters in Economics, Masters in Journalism, and LLB	15 yrs
Sl. No	Name of Employee	Designation	Qualification	Experi ence in relevant field																								
1.	Dr. S. S. Garg	General Manager (GM) & Head, ESMU	Doctorate in Environmental Sciences, Diploma in Industrial Safety, Lead Auditor for ISO 14001 and OHSAS18001	22 yrs																								
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4.	Mr. Krupasindhu Guru	Assistant General Manager (AGM)- Social Specialist	Masters in Economics, Masters in Journalism, and LLB	15 yrs																								
5.	Please give details of any transactions rejected due to environmental and/or social concerns.	Yes	<p>During the reporting period (January 2016 – January 2017) one transaction i.e. GVK Bagodara Vasad Expressway Private Limited was replaced due to environmental concerns.</p> <p>The validity of environmental clearance has expired. As the sub-project did not possess a valid EC, it was found to be non-compliant and recommended for removal from approved list of sub-projects and replaced by a compliant sub-project.</p>																									
6.	Please state any difficulties and/or		One of the pre requisites for getting funding																									

	constraints related to the implementation of the ESMS.		<p>(multilateral/bilateral financial institutions like World Bank, Asian Development Bank, and European Investment Bank) under line of credit is the evaluation of the subprojects on environmental and social issues. The ESSF of IIFCL provides an enabling mechanism to IIFCL to meet environmental and social safeguard requirements associated with sub-projects.</p> <p>As per the mandate, IIFCL finances upto 20% of project cost thus, IIFCL is a minor partner in the consortium. IIFCL follows the ESSF, whereas the other lending partners do not have such safeguards framework.</p> <p>The environmental and social safeguards requirement of any infrastructure project requires screening of vast quantum of data / information / statutory approvals / permits / periodic compliance monitoring reports etc. as per National safeguards requirements. Extracting this information from the developer is a time consuming process and is a challenging task.</p> <p>IIFCL monitors the project through Lender's Engineer Report, site visits and E&amp;S information sought from the concessionaire periodically.</p>
7.	Please describe how you ensure that your clients and their investments are operated in compliance with the national laws and regulations and applicable DFI's safeguard requirements.		<p>In the Common Loan Agreement for each project funded by IIFCL, certain covenants are always put up reflecting concessionaire's liability to comply with applicable laws of land as required for project implementation.</p> <p>The safeguard compliance status of the project is examined during the due diligence study of the project. After the approval of the project by the DFIs, ESMU conducts annual audit of the projects to review whether the projects are operated in compliance with the applicable laws and regulations.</p> <p>To ensure compliance with DFIs safeguards requirements reports on implementation of EMP, reports on monitoring of environmental parameters, status of safety management, LIE reports and six monthly compliance reports are generally shared by developer with IIFCL. The borrowers also engage safety officers/engineers to look after the safety, health and environment related aspects.</p>
8.	Please give details of any material social and environmental issues associated with clients during the reporting period in particular.		<p>The environmental and social safeguard requirement of any infrastructure project requires screening of vast quantum of data / information / statutory approvals / permits / periodic compliance monitoring reports etc. as per National safeguards requirements. Extracting this information from the developer is a time consuming process and is a challenging task.</p> <p>IIFCL monitors the project through Lender's Engineer Report, site visits and E&amp;S information sought from the concessionaire periodically. No such social issues are associated with the subproject during the reporting period.</p>
9.	In case the existing ESMS is not fully functional, what are the action plan being implemented by your organization?		<p>Presently, existing ESMU is functional.</p> <p>(Please provide information or cite recommendation made by DFI's review mission to improve the ESMS and its implementation.)</p>

10.	Please provide the name and contact information of the senior staff who has the overall responsibility for the implementation of ESMS.	Yes	Mr Sanjeev Ghai, Chief General Manager has the overall responsibility for the implementation of ESSF. His contact information are provided below:  Telephone : +91 11 23450263, 23450261 (Direct); Email : <a href="mailto:sanjeevghai@iifcl.org">sanjeevghai@iifcl.org</a>  (Please describe the training or learning activities the Environmental/Social Officer or Coordinator attended during the year.)
11.	Please provide current staffing of other core ESMS persons in the organization involved with ESMS implementation.	Yes	Please refer Section A, point no. 4 for details of ESMU persons of IIFCL.  Please find attached details of Training programmes attended by ESMS Staff during reporting period of January 2016 to January 2017 as <b>Annexure-I</b> .  (Please describe the training provided to the ESMS persons and other team members during the year.)
12.	What was the budget allocated to the ESMS and its implementation during the year?	Yes	ESMU is the core team of IIFCL and requisite budgetary provision is a part of IIFCL's budget.  (Please provide budget details including staff costs and training as well as any actual costs.)
	<b>Monitoring</b>		
13.	Do you receive environmental and social monitoring reports from Lead Banks/Borrowers?	Yes	The project is monitored through Lenders Engineer's reporting. The Lender's Independent Engineer is appointed by the Lead Bank of the Lender's Consortium to monitor the physical, financial progress and the compliance of various regulatory requirements. Periodic LIE reports are provided by the Lead Bank to the IIFCL. The LIE reports generally cover areas related to statutory approval status, forest diversion, tree cutting status, safety management, land acquisition status, utility shifting and pending litigation etc.  From Borrowers, IIFCL receives reports on implementation of EMP, reports on monitoring of environmental parameters, status of safety management and six monthly compliance reports, etc.  (If yes, please describe and provide supporting documents including any social and environmental considerations if applicable.)
14.	Do you check for ongoing compliance of your clients with national regulation and any other requirements?	Yes	During the environmental and social due diligence study and subsequent audit, the compliance of the project with the applicable regulation is checked with available documentation. The site visit is carried out by ESMU for field verification.  (If yes, please describe the process including any social and environmental considerations if applicable.)
15.	Please describe how you monitor the clients and their investments' social and environmental performance.		All the subprojects are invariably visited at the time of ESDDR preparation. Further Audit purposes, it was discussed that only a percentage of such projects would be visited if there are any pending safeguards issues. Therefore for audit purpose only limited projects were visited. The social and environmental performances are checked during the preparation of Environmental and Social Due Diligence Report and annual audit. Each approved project is evaluated for its environmental and social safeguard

			<p>compliance performance against the applicable safeguard requirements at the time of annual audit. The compliance status is also assessed through the LE report which covers the statutory approval status, forest diversion, tree cutting status, safety management, land acquisition, shifting of common property resources status and pending litigation etc; reports on implementation of EMP, reports on monitoring of environmental parameters, status of safety management, six monthly compliance reports and through site visits.</p> <p>Out of the 16 sub-projects approved under AIIFI Line of credit, site visits were conducted for three sub-projects in the year 2016 and two projects were visited at the end of 2015 for the purpose of ESDDR preparation. Three sub-projects undergoing construction phase, were also visited in the year 2016 for annual audit purpose. Yamuna Expressway Ltd. was visited during August 2017 for audit purpose. Projects which achieved COD during reporting period &amp; approved under Takeout Finance scheme by ADB, were not considered necessary for site visit as there were no pending or critical issues are found. For such cases, safeguards audit reports have been prepared based on review of safeguards compliance information/records related to project and discussions with project developer team.</p> <p>(Please describe and provide supporting documents such as environmental and social monitoring reports and please provide information on the number of subprojects where a field visit was conducted by staff to review aspects including social and environmental issues.)</p>
16.	<p>Please provide details of any accidents/litigation/complaints /regulatory notices and fines:</p> <ul style="list-style-type: none"> <li>- Any incidents of non-compliance with the applicable Environmental and Social Requirements</li> <li>- Covenants/conditionalities imposed by IIFCL to the client as a result of any non-compliance</li> </ul>		The project specific details are provided in Section 'C'.
	<b>Reporting</b>		
17.	Is there an internal process to report on social and environmental issues to Senior management?	Yes	<p>The ESDDR (one time document) and Audit sheets are approved by the Senior Management.</p> <p>The ESDDR is a detailed report on environmental as well as social safeguards and annual audit sheet is reported in the present format.</p> <p>(If yes, please explain the process, reporting format and frequency and actions taken if any.)</p>
18.	<p>Do you prepare any social and environmental reports:</p> <ul style="list-style-type: none"> <li>- For other multilateral agencies</li> <li>- Other stakeholders</li> <li>- E&amp;S reporting in the Annual Report</li> <li>- Sustainability reports</li> </ul>	Yes	<p>ESMU prepares Environment and Social Due Diligence report for the projects which are posed to other DFIs to draw down, under their line of credit. IIFCL's annual report also reports on the ESSF since the year 2008-09 and ESMU since its inception in the year 2009-10.</p> <p>The Annual Reports are uploaded on IIFCL website and weblink for the same is <a href="http://www.iifcl.org/Content/report.aspx?mid=17&amp;bid=2&amp;cid=1">http://www.iifcl.org/Content/report.aspx?mid=17&amp;bid=2&amp;cid=1</a></p> <p>(If yes, please provide copies of these reports.)</p>
<b>B. Activities on DFI's Prohibited Investment Activities List</b>			

1.	If any, please indicate the dollar percentage of loans or investments out of your total outstanding exposure provided to clients who are substantially involved in DFI's Prohibited Investment Activities List (Refer to Annexure V of SPS 2009).	Not applicable, since, IIFCL does not involve in the prohibited investment activities.
2.	If the percentage is not zero, please explain these exposures and any steps having been taken to reduce such exposure.	Not applicable

**C. Subprojects Using DFI Funds**

Please provide information about all new investments using DFI funds approved during this reporting period.

1.	Name of Subproject:	Sub-project Developer: <b>Yamuna Expressway Limited</b>  Sub-project: Yamuna Expressway, 6-lane (Extendable upto 8 lane) under Take-out Scheme from Noida to Agra on BOT Basis by Jaypee Infratech Ltd.
2.	Location:	Six Lane Expressway between Noida and Agra in the State of Uttar Pradesh.
3.	Sector:	Highways and Roads
4.	Total loan from IIFCL/DFI (US\$ MN):	90.10 US \$ MN
5.	Safeguard category: (Annex E-3)	Environment Category: B  No Indigenous People are involved in this project  No Rehabilitation and resettlement are involved in this project.
6.	Were any environmental and social due diligence undertaken by your organization?	Environmental & Social Due-Diligence for Yamuna Expressway Ltd. was undertaken by ESMU for which desk review of safeguards related documents was carried out along with field verification done during site visit conducted on 5th October and 4th November, 2015 by ESMU team.  Site visit was also conducted for safeguards compliance check by ESMU Staff on 4 <sup>th</sup> August 2017.  Further, review of safeguard related information was also done for the period January 2016 – January 2017 for annual audit purpose.  (If yes, provide information on due diligence activities, such as desk review of safeguard documents, and field visit, and by whom.)
7.	Any environmental assessment report (including environmental management plan), involuntary resettlement plan, or indigenous peoples plan, or audit reports reviewed by your organization?	<b><u>Environmental Safeguard:</u></b>  The Environmental Safeguard Due-Diligence study was carried out for the sub-project on the basis of site visit observations and understanding project scope based on information and documents provided by the Concessionaire.  The following documents were referred/reviewed in order to prepare Environmental Safeguards Due-Diligence Report: <ul style="list-style-type: none"> <li>• Environmental Impact Assessment (EIA) Report</li> <li>• Project Statutory consent/ approvals and permits</li> </ul>

		<ul style="list-style-type: none"> <li>• Concession Agreement (CA)</li> <li>• Project HSE Documents</li> <li>• Lenders Independent Engineers (LIE) Report July 2015</li> </ul> <p><b>Social Safeguard</b></p> <ul style="list-style-type: none"> <li>• As informed by the developer, no indiginious families are getting affected due to the sub project;</li> <li>• No project specific Involuntary resettlement plan has been prepared for this project, however, to ensure the safeguard compliace, following documents were reviewed by ESMU:</li> <li>• Project Information Memorndum;</li> <li>• Concession Agreement;</li> <li>• Engineering Procurement and Construction Agreement;</li> <li>• Lender's Independent Engineer's report, March 2017;</li> <li>• Gazette Notification for land acquisition</li> </ul> <p>Generally a project comes to IIFCL after the technical closure and prior to the financial closure, where preparation of all the documents like PIM, EIA land acquisition and compensation etc. have been initiated and finalized by the Concessioning Authority where IIFCL have a very limited role to play.</p> <p>Due diligence for a project conducted based on the available documents like PIM EIA, Permits &amp; clearances, Land acquisition and compensation etc., verification of pending litigation cases (if any) and discussions during the site visit was also carried out for the project.</p> <p>However, for this project land acquisition was carried by Uttar Pradesh State Highway Authority (UPSHA) and compensation is paid by the UPSHA. Further, during the discussion it was informed that no physical displacement was happened because of the project and no indigenous people were affected because of this project.</p> <p>The sub-project has been approved under take out finance scheme and is operational since 9<sup>th</sup> August 2012</p> <p>(If yes, please provide the names of documents reviewed.)</p>
8.	What were the main environmental, involuntary resettlement and indigenous peoples issues associated with this subproject that were identified through due diligence conducted by your organization, and how were the issues dealt with (i.e., outcome of due diligence)?	<p><b><u>Environmental Safeguard</u></b></p> <p>The sub-project has been approved under take out scheme and is operational since 9<sup>th</sup> August 2012. During ESDDR preparation, no environmental issues were identified for addressal in the project.</p> <p>The following documents/discussions were referred for the purpose of annual audit of the sub-project:</p> <ul style="list-style-type: none"> <li>• Environmental Management Plan implementation status</li> <li>• Plantation details</li> <li>• Accident incident reports for the years 2012-2016</li> <li>• Safety Measures</li> <li>• Traffic &amp; road safety measures implementation</li> <li>• Facilities details at the sub-project</li> </ul> <p>Site visit to the sub-project was conducted on 4<sup>th</sup> August 2017 and detailed discussions were held with the HSE staff and other project staff. Following is the observations / outcome of the review of documents / information, site visit and discussions with developer for annual audit :</p>

		<ul style="list-style-type: none"> <li>• The project achieved COD on 9<sup>th</sup> August 2012.</li> <li>• The project has adequate HSE staff and horticulture staff (about 100 employees) for maintaining plantation.</li> <li>• Median plantation is complete and is being managed well. Total 18 number of water tankers are available at the Expressway.</li> <li>• The developer has submitted strip plan showing vacant spaces available for plantation to the State Forest Department for Plantation on both sides of the Expressway. Meetings were held between developer and Yamuna Expressway Industrial Development Authority regarding the issue. State Forest Department is yet to inform the developer regarding the budget for payment towards plantation. The plantation will be done and maintained by the Forest Department.</li> <li>• For traffic and road safety, CCTVs are installed for live monitoring of the Expressway. Also Video Incident Detection System, speed monitoring and automatic number plate recognition camera, variable message signage boards, mobile variable message signage boards and meteorological stations are available under the highway management traffic system.</li> <li>• A total of 11 route patrol vehicles, 3 quick response teams and 6 Police Patrol are available in the entire stretch of the Expressway.</li> <li>• 7 number of cranes and recovery vehicles are available on the Expressway to lift damaged and break down vehicles.</li> <li>• 6 number of ambulances are available for casualty evacuation and first aid. Medical centres are established at all three toll plazas with 4 MBBS doctors and 21 paramedic staff.</li> <li>• Zevor toll plaza has the Command Centre for the Expressway, which monitors the operations and security of the Expressway.</li> <li>• Display Boards and signages are visible at the Expressway.</li> <li>• As part of safety measures: <ul style="list-style-type: none"> <li>○ free tyre pressure check &amp; air service is available at the toll plazas;</li> <li>○ speed challans are being done for offenders by Police;</li> <li>○ crash barriers are painted yellow and black;</li> <li>○ wire fencing on the entire stretch has been done;</li> <li>○ initiative has been taken to provide free water and tea between 2 am – 5 am for drivers keep them awake and also to control overspeeding;</li> <li>○ Monthly safety trainings are being conducted for staff and commuters</li> </ul> </li> <li>• Shoulder drains are constructed as part of drainage system with exit drain every 20 m towards service lane. The drains are cleaned manually once in a year.</li> <li>• Sub-project developer has established mechanism to address any accident or complaint at the Expressway.</li> <li>• Following measures have been taken by the sub-project developer for control of ribbon development: <ul style="list-style-type: none"> <li>○ Access to the main carriageway is controlled by fencing on the entire stretch of the Expressway;</li> <li>○ The height of embankment on an average is 3 m which controls ribbon development;</li> <li>○ Only authorised food joints are permitted along the</li> </ul> </li> </ul>
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		<p>Expressway.</p> <ul style="list-style-type: none"> <li>As the project is under operation since August 2012, air, water, noise monitoring was conducted for the next three years (till Summer 2015) and thereafter no monitoring is done.</li> <li>As regards the rain water harvesting scheme, NGT had disposed of the case vide order dated July 24, 2015 and ordered MoEFCC and CGWA to conduct a survey of the area where the Rain Water Harvesting system needs to be constructed and CGWA shall provide appropriate design of the Rain Water Harvesting system to the developer. The developer shall then construct the Rain Water Harvesting System as per advice. The Developer has informed IIFCL during site visit discussions that CGWA has not submitted design details for the rainwater harvesting system till date.</li> </ul> <p>There are no critical environmental issues identified on review of safeguards documents and site visit for reporting period for Yamuna Expressway Limited.</p> <p><b>Social Safeguard</b></p> <ul style="list-style-type: none"> <li>Land acquisition has been carried out by Uttar Pradesh State Highway Authority (UPSHA) after the Gazette notification were published;</li> <li>No indigenous people are affected due to the sub project;</li> <li>UPSHA has prepared this project for its own funding requirement and not in anticipation to ADB's operation;</li> <li>During the site visit it was told that more than 600 local peoples are employed for toll collections in three toll plaza locations;</li> <li>Awareness camp for road users for following safe road use like safe driving, use helmet while driving motorcycle, safe speed, keeping vehicle in condition etc.</li> </ul> <p>The sub-project has been approved under take out finance scheme and is operational since 9<sup>th</sup> August 2012.</p>
9.	Did you discuss with the Lead Bank the applicable environmental and social safeguard requirements and their implementation?	Lenders' Independent Engineers (LIE) appointed by the lead bank is submitting the Quarterly Report (QPR) within the consortium, IIFCL meets the Lenders' quarterly as agreed in the consortium and discussed regarding the pending issue if any.
10.	For category A subproject, were safeguards related documents such as EIA, RP and IPP, or audit reports made publicly available, in addition to posting on ADB's website?	Yamuna Expressway Ltd. does not fall under category A as per ADB's safeguard requirements.  (If yes, please provide website link and the date the documents were uploaded.)
11.	Were any conditions or covenants related to environmental and social issues made along with the investment?	The compliance to the applicable laws of land is included as a covenant in the loan agreement signed by the lead bank and other consortium members with the Concessionaire.  (If yes, please briefly describe.)
12.	Does the investment comply with applicable government requirements?	Yes
13.	Does the investment comply with applicable DFI safeguard requirements?	Yes

**ANNEX S-4: Resettlement Screening Check List (Yamuna Expressway Pvt. Ltd.)**

<b>Impact</b>	<b>Not Known</b>	<b>Yes</b>	<b>No</b>	<b>Indication of scope</b> (no of affected persons, land area, land use, structures, etc.)
Is the prospective subproject company (PPC) undertaking or likely to undertake any land acquisition?			√	Land acquisition process was initiated and completed by Yamuna Expressway Industrial Development Authority (YEIDA).
Is the PPC acquiring land through willing buyer to willing seller transactions?			√	Land acquisition process was initiated and completed by Yamuna Expressway Industrial Development Authority (YEIDA).
Does the PPC have any agreements or is it likely to enter into agreements with the government for provision of sites or land or rights to land?		√		YEIDA has handed over to the concessionaire encroached free land after the official Gazette Notification was published under sub-section (1) of section 4 of the Land Acquisition Act, 1894 (Act no. 1 of 1894).
Is any of the land used by the PPC (or likely to be used by the PPC) compulsorily acquired?			√	
Will any PPC activities involve restrictions of use on adjoining land?			√	
Are the sites for land acquisition known?		√		This process of sites for land acquisition was initiated and completed by YEIDA prior to IIFCL's involvement.
What is the ownership status of the land?				The ownership of the land is with YEIDA.
Are non-titled persons present?			√	
Will tenants, lessees, share farmers, or other third party users be affected?				The land acquisition process was initiated and completed by YEIDA prior to IIFCL's involvement.
Will there be loss of housing?			√	

Will there be loss of crops, trees, and other fixed assets?				The land acquisition process was initiated and completed by YEIDA prior to IIFCL's involvement.
Will there be loss of incomes and livelihoods?				The land acquisition process was initiated and completed by YEIDA prior to IIFCL's involvement.
Will access to facilities, services, or resources be lost?				The land acquisition process was initiated and completed by YEIDA prior to IIFCL's involvement.
Will there be loss of businesses or enterprises?				The land acquisition process was initiated and completed by YEIDA prior to IIFCL's involvement.
Will any social or economic activities be affected by land use related changes?				The land acquisition process was initiated and completed by YEIDA prior to IIFCL's involvement.
<b>If involuntary resettlement impacts are expected: No</b>				
Are local laws and regulations compatible with DFI's involuntary resettlement policy?			√	
Will land be acquired through the government or by the PPC?			√	
Do PPC agreements with the government (if any) specify involuntary resettlement will be conducted in accordance with international standards?			√	
Does the government executing agency/PPC have sufficient skilled resources for resettlement planning and implementation?			√	
Are training and capacity building required prior to resettlement planning and implementation?			√	

**Note:** The process of land acquisition/RoW use has been initiated before IIFCL's involvement with the project.

**ANNEX S-5: Tribal Peoples Effects Screening Check List (Yamuna Expressway Pvt. Ltd.)**




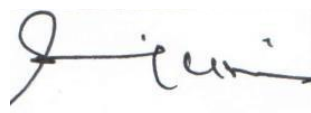
<b>Impact on Tribal Peoples</b>	<b>Not Known</b>	<b>Yes</b>	<b>No</b>	<b>Remarks or identified problems, if any</b>
Are there tribal groups present in project locations?			√	
Do they maintain distinctive customs or economic activities that may make them vulnerable to hardship?			√	
Will the subproject restrict their economic and social activity and make them particularly vulnerable in the context of project?			√	
Will the subproject change their socioeconomic and cultural integrity? <sup>1</sup>			√	
Will the subproject disrupt their community life?			√	
Will the subproject positively affect their health, education, livelihood, or social security status?			√	
Will the subproject negatively affect their health, education, livelihood, or social security status?			√	
Will the subproject alter or undermine the recognition of their knowledge, preclude customary behaviors, or undermine customary institutions?			√	
In case there is no disruption of tribal community life as a whole, will there be loss of housing, loss of land, crops, trees, and other fixed assets owned or controlled by individual tribal households?			√	

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<sup>1</sup> That is, undermine their production systems and the maintenance and transmission of their cultural patterns.

# ANNEX E-17: PERIODIC ENVIRONMENTAL AND SOCIAL PERFORMANCE REPORT FOR SUBPROJECTS APPROVED UNDER ADB'S LINE OF CREDIT, AIIFI (PFR-I)

Please provide responses to the questions below. Please include additional sheets or attachments as required to provide details on questions that have been answered Yes. IIFCL is required to submit the periodic performance report to DFIs (see footnote below)<sup>1</sup>. This format is only for guidance and could be improved.

<b>Name of Organization</b>	India Infrastructure Finance Company Limited (IIFCL)	
<b>Name of Sub-project</b>	76 MW Wind farm at District Ratlam & Mandsaur in Madhya Pradesh, India	
<b>Name of Sub-project Developer</b>	Uttar Urja Projects Private Limited	
<b>Reporting Period</b>	From January - 2016 to January - 2017	
<b>Audit Activity</b>	<b>Name &amp; Designation</b>	<b>Signature</b>
Prepared by	Mr. Krupasindhu Guru Assistant General Manager (Social Safeguard Specialist)	
	Dr. Rashmi Kadian Assistant General Manager (Environment Specialist)	
Reviewed By	Dr S. S. Garg General Manager & Head, ESMU	
Approved by & Senior Staff with overall responsibility for ESMS implementation	Mr. Sanjeev Ghai Chief General Manager	

## A. Environmental and Social Management System (ESMS)

	<b>Policies &amp; Processes</b>	<b>Yes/ No</b>	
1.	Has your organization developed and implemented an ESMS?	Yes	<p>ESSF was adopted by IIFCL in October 2008 which was subsequently revised in November, 2010 and July 2013 and Addendum to the ESSF for World Bank financed projects was issued in year 2014. The latest revised ESSF of February 2016 is available on IIFCL's website (<a href="http://www.iifcl.org/WriteReadData/userfiles/file/Final%20ESSF.pdf">http://www.iifcl.org/WriteReadData/userfiles/file/Final%20ESSF.pdf</a>)</p> <p>(If yes, please attach a copy of the ESMS to this report. Please indicate the date that the ESMS was established.)</p>
2.	If there is an ESMS already in place, have there been any updates to the ESMS or policy and procedures adopted by your organization during the reporting period?	Yes	<p>Based on ESMU's operational experience &amp; current practices, ESSF has been further revised which is in alignment with Govt. of India Guidelines/Regulations. During February 2016, Latest revised ESSF was approved by IIFCL Board which has been further shared with DFI's during May 2016. Weblink for the same is given above.</p> <p>(If yes, please provide a copy of the updates including dates and reasons for</p>

<sup>1</sup> Reporting requirements outlined here pertained to ADB. Other DFIs also have similar requirements.

**Uttar Urja Projects Private Limited**

			the same.)																									
3.	Has senior management signed off on the updated policy/ procedure?	Yes	<p>The ESSF 2016 has been approved by IIFCL Board on 23<sup>rd</sup> February 2016.</p> <p>(If yes, please provide the date and internal communication indicating the same.)</p>																									
4.	Has your organization appointed staff tasked to implement the ESMS?	Yes	<p>Environmental and Social Safeguards Management Unit (ESMU) has been set up at IIFCL in 2010 to fulfil the environmental &amp; social safeguard commitments based on ESSF guidelines.</p> <p>The ESMU is headed/ coordinated by a qualified full-time staff of IIFCL and currently two full-time environmental safeguards specialists and one full-time social safeguards specialist are engaged, headed by head ESMU in the rank of General Manager. The details of the ESMU team as on January 2017 are given below:</p> <table><tr><th>Sl. No</th><th>Name of Employee</th><th>Designation</th><th>Qualification</th><th>Experience in relevant field</th></tr><tr><td>1.</td><td>Dr. S. S. Garg</td><td>General Manager (GM) &amp; Head, ESMU</td><td>Doctorate in Environmental Sciences, Diploma in Industrial Safety, Lead Auditor for ISO 14001 and OHSAS18001</td><td>22 yrs</td></tr><tr><td>2.</td><td>Dr. Ruchi Malik</td><td>Assistant General Manager (AGM)- Environment Specialist</td><td>Doctorate in Environmental Sciences</td><td>15 yrs</td></tr><tr><td>3.</td><td>Dr. Rashmi Kadian</td><td>Assistant General Manager (AGM)- Environment Specialist</td><td>Doctorate in Environmental Sciences</td><td>14 yrs</td></tr><tr><td>4.</td><td>Mr. Krupasindhu Guru</td><td>Assistant General Manager (AGM)- Social Specialist</td><td>Masters in Economics, Masters in Journalism, and LLB</td><td>15 yrs</td></tr></table> <p>(IF yes, please provide information on number of staff and qualification (experience and education background) to implement the ESMS.)</p>	Sl. No	Name of Employee	Designation	Qualification	Experience in relevant field	1.	Dr. S. S. Garg	General Manager (GM) & Head, ESMU	Doctorate in Environmental Sciences, Diploma in Industrial Safety, Lead Auditor for ISO 14001 and OHSAS18001	22 yrs	2.	Dr. Ruchi Malik	Assistant General Manager (AGM)- Environment Specialist	Doctorate in Environmental Sciences	15 yrs	3.	Dr. Rashmi Kadian	Assistant General Manager (AGM)- Environment Specialist	Doctorate in Environmental Sciences	14 yrs	4.	Mr. Krupasindhu Guru	Assistant General Manager (AGM)- Social Specialist	Masters in Economics, Masters in Journalism, and LLB	15 yrs
Sl. No	Name of Employee	Designation	Qualification	Experience in relevant field																								
1.	Dr. S. S. Garg	General Manager (GM) & Head, ESMU	Doctorate in Environmental Sciences, Diploma in Industrial Safety, Lead Auditor for ISO 14001 and OHSAS18001	22 yrs																								
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5.	Please give details of any transactions rejected due to environmental and/or social concerns.	Yes	<p>During the reporting period (January 2016 – January 2017) one transaction i.e. GVK Bagodara Vasad Expressway Private Limited was replaced due to environmental concerns.</p> <p>The validity of environmental clearance got expired for this project. As the sub-project did not possess a valid EC, it was found to be non-compliant and recommended for removal from approved list of sub-projects and replaced by a compliant sub-project.</p>																									

6.	Please state any difficulties and/or constraints related to the implementation of the ESMS.		<p>One of the pre requisites for getting funding (multilateral/bilateral financial institutions like World Bank, Asian Development Bank, and European Investment Bank) under line of credit is the evaluation of the subprojects on environmental and social issues. The ESSF of IIFCL provides an enabling mechanism to IIFCL to meet environmental and social safeguard requirements associated with sub-projects.</p> <p>As per the mandate, IIFCL finances upto 20% of project cost, IIFCL is a minor partner in the consortium. IIFCL follows the ESSF, whereas the other lending partners do not have such safeguard framework.</p> <p>The environmental and social safeguard requirement of any infrastructure project requires screening of vast quantum of data / information / statutory approvals / permits / periodic compliance monitoring reports etc. as per National safeguards requirements. Extracting this information from the developer is a time consuming process and is a challenging task.</p> <p>IIFCL monitors the project through Lender's Engineer Report, site visits and E&amp;S information sought from the concessionaire periodically.</p>
7.	Please describe how you ensure that your clients and their investments are operated in compliance with the national laws and regulations and applicable DFI's safeguard requirements.		<p>In the Common Loan Agreement for each project funded by IIFCL, certain covenants are always put up reflecting concessionaire's liability to comply with applicable laws of land as required for project implementation.</p> <p>The safeguard compliance status of the project is examined during the due diligence study of the project. After the approval of the project by the DFIs, ESMU conducts annual audit of the projects to review whether the projects are operated in compliance with the applicable laws and regulations.</p> <p>To ensure compliance with DFIs safeguards requirements reports on implementation of EMP, reports on monitoring of environmental parameters, status of safety management, LIE reports and six monthly compliance reports are generally shared by developer with IIFCL. The borrowers also engage safety officers/engineers to look after the safety, health and environment related aspects.</p>
8.	Please give details of any material social and environmental issues associated with clients during the reporting period in particular.		<p>The environmental and social safeguard requirement of any infrastructure project requires screening of vast quantum of data / information / statutory approvals / permits / periodic compliance monitoring reports etc. as per National safeguards requirements. Extracting this information from the developer is a time consuming process and is a challenging task.</p> <p>IIFCL monitors the project through Lender's Engineer Report, site visits and E&amp;S information sought from the concessionaire periodically. No such social issues are associated with the subproject during the reporting period.</p>
9.	In case the existing ESMS is not fully functional, what are the action plan beining implemented by your organization?		<p>Presently, existing ESMU is functional.</p> <p>(Please provide information or cite recommendation made by DFI's review mission to improve the ESMS and its implementation.)</p>
	<b>Capacity</b>	Yes/	

**Uttar Urja Projects Private Limited**

		No	
10.	Please provide the name and contact information of the senior staff who has the overall responsibility for the implementation of ESMS.	Yes	<p>Mr Sanjeev Ghai, Chief General Manager has the overall responsibility for the implementation of ESSF. His contact information are provided below:</p> <p>Telephone : +91 11 23450263, 23450261 (Direct); Email : <a href="mailto:sanjeevghai@iifcl.org">sanjeevghai@iifcl.org</a></p> <p>(Please describe the training or learning activities the Environmental/Social Officer or Coordinator attended during the year.)</p>
11.	Please provide current staffing of other core ESMS persons in the organization involved with ESMS implementation.	Yes	<p>Please refer Section A, point no. 4 for details of ESMU persons of IIFCL.</p> <p>Please find attached details of Training programmes attended by ESMS Staff during reporting period of January 2016 to January 2017 as <b>Annexure-I</b>.</p> <p>(Please describe the training provided to the ESMS persons and other team members during the year.)</p>
12.	What was the budget allocated to the ESMS and its implementation during the year?	Yes	<p>ESMU is the core team of IIFCL and requisite budgetary provision is a part of IIFCL's budget.</p> <p>(Please provide budget details including staff costs and training as well as any actual costs.)</p>
	<b>Monitoring</b>		
13.	Do you receive environmental and social monitoring reports from Lead Banks/Borrowers?	Yes	<p>The project is monitored through Lenders Engineer's reporting. The Lender's Independent Engineer is appointed by the Lead Bank of the Lender's Consortium to monitor the physical, financial progress and the compliance of various regulatory requirements. Periodic LIE reports are provided by the Lead Bank to the IIFCL. The LIE reports generally cover areas related to statutory approval status, forest diversion, tree cutting status, safety management, land acquisition status, utility shifting and pending litigation etc.</p> <p>From Borrowers, IIFCL receives reports on implementation of EMP, reports on monitoring of environmental parameters, status of safety management and six monthly compliance reports, etc.</p> <p>(If yes, please describe and provide supporting documents including any social and environmental considerations if applicable.)</p>
14.	Do you check for ongoing compliance of your clients with national regulation and any other requirements?	Yes	<p>During the environmental and social due diligence study and subsequent audit, the compliance of the project with the applicable regulation is checked with available documentation. The site visit is carried out by ESMU for field verification.</p> <p>(If yes, please describe the process including any social and environmental considerations if applicable.)</p>
15.	Please describe how you monitor the clients and their investments' social and environmental performance.		<p>The social and environmental performances are checked during the preparation of Environmental and Social Due Diligence Report and annual audit. Each approved project is evaluated for its environmental and social safeguard compliance performance against the applicable safeguard requirements at the time of annual audit. The compliance status is also assessed through the LE report which covers the statutory approval status, forest diversion, tree cutting status, safety management, land acquisition, shifting of common property resources status and pending litigation etc; reports on implementation of EMP, reports on monitoring of environmental parameters, status of safety management, six monthly compliance reports and through site visits.</p>

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			<p>Out of the 16 sub-projects approved under AIIFI Line of credit, site visits were conducted for three sub-projects in the year 2016 and two projects were visited at the end of 2015 for the purpose of ESDDR preparation. Three sub-projects undergoing construction phase, were also visited in the year 2016 for annual audit purpose. Projects which achieved COD during reporting period &amp; approved under Takeout Finance scheme by ADB, were not considered necessary for site visit as there were no pending or critical issues are found. For such cases, safeguards audit reports have been prepared based on review of safeguards compliance information/records related to project and discussions with project developer team.</p> <p>(Please describe and provide supporting documents such as environmental and social monitoring reports and please provide information on the number of subprojects where a field visit was conducted by staff to review aspects including social and environmental issues.)</p>
16.	<p>Please provide details of any accidents/litigation/complaints /regulatory notices and fines:</p> <ul style="list-style-type: none"> <li>- Any incidents of non-compliance with the applicable Environmental and Social Requirements</li> <li>- Covenants/conditionalities imposed by IIFCL to the client as a result of any non-compliance</li> </ul>		The project specific details are provided in Section 'C'.
	<b>Reporting</b>		
17.	Is there an internal process to report on social and environmental issues to Senior management?	Yes	<p>The ESDDR (one time document) and Audit sheets are approved by the Senior Management.</p> <p>The ESDDR is a detailed report on environmental as well as social safeguards and annual audit sheet is reported in the present format.</p> <p>(If yes, please explain the process, reporting format and frequency and actions taken if any.)</p>
18.	<p>Do you prepare any social and environmental reports:</p> <ul style="list-style-type: none"> <li>- For other multilateral agencies</li> <li>- Other stakeholders</li> <li>- E&amp;S reporting in the Annual Report</li> <li>- Sustainability reports</li> </ul>	Yes	<p>ESMU prepares Environment and Social Due Diligence report for the projects which are posed to other DFIs to draw down, under their line of credit. IIFCL's annual report also reports on the ESSF since the year 2008-09 and ESMU since its inception in the year 2009-10.</p> <p>The Annual Reports are uploaded on IIFCL website and weblink for the same is <a href="http://www.iifcl.org/Content/report.aspx?mid=17&amp;bid=2&amp;cid=1">http://www.iifcl.org/Content/report.aspx?mid=17&amp;bid=2&amp;cid=1</a></p> <p>(If yes, please provide copies of these reports.)</p>

**B. Activities on DFI's Prohibited Investment Activities List**

1.	If any, please indicate the dollar percentage of loans or investments out of your total outstanding exposure provided to clients who are substantially involved in DFI's Prohibited Investment Activities List (Refer to Annexure V of SPS 2009).	Not applicable, since, IIFCL does not involve in the prohibited investment activities.
2.	If the percentage is not zero, please explain these exposures and any steps having been taken to reduce such exposure.	Not applicable

**C. Subprojects Using DFI Funds**

Please provide information about all new investments using DFI funds approved during this reporting period.

1.	Name of Subproject:	Sub-project Developer: Uttar Urja Projects Private Limited (UUPPL)  Sub-project: 76 MW Wind farm at District Ratlam & Mandsaur in Madhya Pradesh, India
2.	Location:	District Ratlam and Mandsaur in the State of Madhya Pradesh, India
3.	Sector:	Renewable (Wind Power)
4.	Total loan from IIFCL/DFI (US\$ MN):	13.85 US \$ MN
5.	Safeguard category: (Annex E-3)	Environment Category B  No Indigenous People are involved in this project  No Rehabilitation and resettlement are involved in this project
6.	Were any environmental and social due diligence undertaken by your organization?	Environmental & Social Due-Diligence for Uttar Urja Projects Private Limited (UUPPL) was undertaken by ESMU Safeguard Specialists for which desk review of safeguards related documents was carried out along with field verification on 11 <sup>th</sup> December 2015.  Review of safeguard related information was also done for the period January 2016 – January 2017 for annual audit purpose.  (If yes, provide information on due diligence activities, such as desk review of safeguard documents, and field visit, and by whom.)
7.	Any environmental assessment report (including environmental management plan), involuntary resettlement plan, or indigenous peoples plan, or audit reports reviewed by your organization?	<b>Environmental Safeguard:</b>  The Environmental Safeguard Due-Diligence study was carried out for the sub-project on the basis of site visit observations and understanding project scope based on information and documents provided by the Concessionaire.  The following documents were referred/reviewed in order to prepare Environmental Safeguards Due-Diligence Report:  <ul style="list-style-type: none"> <li>• ESIA Report</li> <li>• Detailed Project Report</li> <li>• Project Statutory Approvals/Permits</li> <li>• Project HSE Documents</li> <li>• Power Purchase Agreement</li> <li>• Lender's Independent Engineer Reports</li> <li>• Labour License</li> <li>• Contract Documents</li> <li>• Project Information Memorandum (PIM)</li> </ul> <b>Social Safeguard</b>  The social due diligence report for the project has been initiated after review of Project Information Memorandum (PIM), Detailed Project Report (DPR), and Environmental & Social Impact Assessment (ESIA) report. On site visit and detail consultation/discussion with the project developer UUPPL and various permits and approvals relating to the project to understand the salient features of the project and

		<p>social concerns. The following documents/Reports/Licenses and notifications were referred in order to prepare the Social Safeguard Due Diligence Report:</p> <p>In</p> <ul style="list-style-type: none"> <li>• Gazette Notification;</li> <li>• ESIA Report;</li> <li>• Detailed Project Report;</li> <li>• Project Statutory Approvals/Permits;</li> <li>• Project HSE Documents;</li> <li>• Power Purchase Agreement;</li> <li>• Lender's Independent Engineer Reports;</li> <li>• Labour License;</li> <li>• Contract Documents;</li> <li>• Project Information Memorandum (PIM)</li> <li>• Discussion with developer during site visit.</li> </ul> <p>(If yes, please provide the names of documents reviewed.)</p>
8.	<p>What were the main environmental, involuntary resettlement and indigenous peoples issues associated with this subproject that were identified through due diligence conducted by your organization, and how were the issues dealt with (i.e., outcome of due diligence)?</p>	<p><b><u>Environmental Safeguard</u></b></p> <p>The Environmental Safeguard Due-Diligence study was carried out for the sub-project on the basis of site visit observations and understanding project scope based on information and documents provided by the Concessionaire. There were no environmental issues identified to be addressed at the sub-project at the time of due diligence. The WTGs at UUPPL have been commissioned during September to December 2015.</p> <p>The following documents are referred for the purpose of E&amp;S annual audit of the sub-project:</p> <ul style="list-style-type: none"> <li>• Statutory permits &amp; approvals</li> <li>• Noise monitoring reports on sample basis (November, December 2016)</li> <li>• Bird and bat monitoring report, 2015-16</li> <li>• EHS Reports</li> <li>• HSE Training details 2016-17</li> <li>• Labour license and insurance</li> </ul> <p>Following are the observations / outcome of the review of documents / information for annual audit :</p> <ul style="list-style-type: none"> <li>• The sub-project has been commissioned during September – December 2015.</li> <li>• The developer has confirmed and shared the statutory approvals/consents required for implementation of the sub-project.</li> <li>• Developer is conducting noise monitoring at the sub-project during day and night. The noise levels are found to be within prescribed standards.</li> <li>• Bird and bat monitoring was done at the project to assess the bird and bat mortality due to WTG operation. The security guards are also trained to conduct carcass survey. Very few incidents of bird &amp; bat mortality were found during the entire year.</li> <li>• Adequate institutional arrangement exists at the sub-project</li> </ul>

		<p>contractors for implementation of HSE related aspects.</p> <ul style="list-style-type: none"> <li>• EHS reports &amp; compliance are in practice at site.</li> <li>• Developer is conducting canteen audit, employee guest house audit, first aid box audit, substation audit, vehicle audit on monthly basis to assess the EHS related aspects.</li> <li>• Monthly safety reports are generated and records are maintained at the sub-project.</li> <li>• Fire extinguisher inspection report, fire alarm system inspection reports are maintained at site on monthly basis.</li> <li>• Developer has shared the Standard Operating Procedures for PPE for staff and labour.</li> <li>• Tool box trainings are being conducted regularly at site.</li> </ul> <p>On review of the safeguard information, it is found that no environmental issues are identified and the EHS aspects implementation and institutional arrangement for the same is adequate at the sub-project.</p> <p>Social Safeguard</p> <ul style="list-style-type: none"> <li>• The project is under operation, achieved COD on September – December 2015.</li> <li>• The sup project, UUPL has been prepared prior to the ADB's involvement and IIFCL entered into the project after technical closure and before the financial closure of the project;</li> <li>• The subproject UUPL was prepared by Govt. of Madhya Pradesh as per the national requirements for its own requirement not in anticipation of ADB's procedure.</li> <li>• The project was disclosed to the project affected people through Gazette Notifications;</li> <li>• The subproject does not impact any Schedule Caste/Schedule Tribe people get affected due to proposed project;</li> <li>• The project do not have any impact on the settlement area and no cultural and community property is affected due to the project.</li> <li>• UUPL is located mainly over the Revenue Land granted by the Government of Madhya Pradesh allotted by Madhya Pradesh New and Renewable Energy Department (MPNRED) for a period of 25 years.</li> <li>• Developer has been appreciated in the region for help tendered to various Gram Panchayats for community development activity. . Developer has shared the appreciation letters issued by various Gram Panchayats with IIFCL.</li> <li>• Developer has donated money towards various developmental activities/works like drinking water supply schemes (including pipelines for water supply);</li> <li>• Financial support for programmes &amp; frameworks on</li> </ul>
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**Uttar Urja Projects Private Limited**

		<p>health &amp; hygiene programme in the villages;</p> <ul style="list-style-type: none"> <li>• Providing financial assistant to schools for purchase of furniture;</li> <li>• Assistant given in the form of grant to temples; construction of stop dam for drinking water for cattle; dining area in temples; bore well etc.</li> </ul> <p>The sub-project has been commissioned during September – December 2015, it can be concluded that there are no social issues are associated with the project.</p>
9.	Did you discuss with the Lead Bank the applicable environmental and social safeguard requirements and their implementation?	No, as IIFCL is a late entrant in project development.
10.	For category A subproject, were safeguards related documents such as EIA, RP and IPP, or audit reports made publicly available, in addition to posting on ADB's website?	<p>Uttar Urja Projects Private Limited does not fall under category A as per ADB's safeguard requirements.</p> <p>(If yes, please provide website link and the date the documents were uploaded.)</p>
11.	Were any conditions or covenants related to environmental and social issues made along with the investment?	<p>The compliance to the applicable laws of land is included as a covenant in the loan agreement signed by the lead bank and other consortium members with the Concessionaire.</p> <p>(If yes, please briefly describe.)</p>
12.	Does the investment comply with applicable government requirements?	Yes
13.	Does the investment comply with applicable DFI safeguard requirements?	Yes

#### ANNEX S-4: RESETTLEMENT SCREENING CHECKLIST

Impact	Not Known	Yes	No	Indication of scope (no. of affected persons, land area, land use, structures, etc.)
Is the prospective subproject company (PPC) undertaking or likely to undertake any land acquisition?			✓	
Is the PPC acquiring land through willing buyer to willing seller transactions?			✓	
Does the PPC have any agreements or is it likely to enter into agreements with the government for provision of sites or land or rights to land?		✓		UUPL wind farm is located mainly over the revenue land granted by the government of Madhya Pradesh allotted by Madhya Pradesh New and Renewable Energy Department (MPNRED).
Is any of the land used by the PPC (or likely to be used by the PPC) compulsorily acquired?			✓	
Will any PPC activities involve restrictions of use on adjoining land?			✓	
Are the sites for land acquisition known?		✓		
What is the ownership status of the land?				The ownership status of the land is with UUPL
Are non-titled persons present?			✓	
Will tenants, lessees, share farmers, or other third party users be affected?			✓	
Will there be loss of housing?			✓	During the discussion with the subproject developer it was told that the WTG locations were identified in such a way that the impact upon the private owners has been avoided and all the locations towers were installed in government land.
Will there be loss of crops, trees, and other fixed assets?			✓	
Will there be loss of incomes and livelihoods?			✓	
Will access to facilities, services, or resources be lost?			✓	
Will there be loss of businesses or enterprises?			✓	
Will any social or economic activities be affected by land use related changes?			✓	
<b>If involuntary resettlement impacts are expected:</b>				
Are local laws and regulations compatible with DFI's involuntary resettlement policy?			✓	

Will land be acquired through the government or by the PPC?			√	UUPL wind farm is located mainly over the revenue land granted by the government of Madhya Pradesh allotted by Madhya Pradesh New and Renewable Energy Department (MPNRED).
Do PPC agreements with the government (if any) specify involuntary resettlement will be conducted in accordance with international standards?			√	
Does the government executing agency/PPC have sufficient skilled resources for resettlement planning and implementation?			NA	
Are training and capacity building required prior to resettlement planning and implementation?			NA	

**Note:** The process of land acquisition/RoW use has been initiated before IIFCL's involvement with the project.


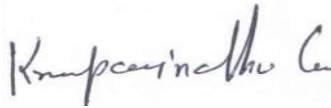

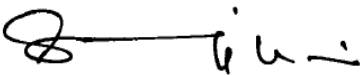
## ANNEX S-5: TRIBAL PEOPLES EFFECTS SCREENING CHECKLIST

<b>Impact on Tribal Peoples</b>	<b>Not Known</b>	<b>Yes</b>	<b>No</b>	<b>Remarks or identified problems, if any</b>
Are there tribal groups present in project locations?			✓	
Do they maintain distinctive customs or economic activities that may make them vulnerable to hardship?			NA	
Will the subproject restrict their economic and social activity and make them particularly vulnerable in the context of project?			NA	
Will the subproject change their socioeconomic and cultural integrity? <sup>1</sup>			NA	
Will the subproject disrupt their community life?			NA	
Will the subproject positively affect their health, education, livelihood, or social security status?			NA	
Will the subproject negatively affect their health, education, livelihood, or social security status?			NA	
Will the subproject alter or undermine the recognition of their knowledge, preclude customary behaviors, or undermine customary institutions?			NA	
In case there is no disruption of tribal community life as a whole, will there be loss of housing, loss of land, crops, trees, and other fixed assets owned or controlled by individual tribal households?			NA	

<sup>1</sup> That is, undermine their production systems and the maintenance and transmission of their cultural patterns.

**ANNEX E-17: PERIODIC ENVIRONMENTAL AND SOCIAL PERFORMANCE REPORT FOR  
SUBPROJECTS APPROVED UNDER ADB'S LINE OF CREDIT, AIIFI (PFR-1)**

Please provide responses to the questions below. Please include additional sheets or attachments as required to provide details on questions that have been answered Yes. IIFCL is required to submit the periodic performance report to DFIs (see footnote below)<sup>1</sup>. This format is only for guidance and could be improved.

Name of Organization	India Infrastructure Finance Company Limited (IIFCL), New Delhi	
Name of Sub-project	Construction of 765kv and 400kv transmission lines & associated substations in the state of Uttar Pradesh being implemented on Public Private Partnership (PPP) under Build, Own, Operate, Transfer (BOOT) basis	
Name of Sub-project Developer	Western U.P. Power Transmission Company Limited (WUPPTCL)	
Reporting Period	From January 2016 to January 2017	
<b>Audit Activity</b>	<b>Name of Audit Team Member &amp; Designation</b>	<b>Signature</b>
Prepared by:	Dr. Ruchi Malik Assistant General Manager (Environment Specialist) ESMU, IIFCL  Mr. Krupasindhu Guru Assistant General Manager (Social Safeguard Specialist) ESMU, IIFCL	  
Reviewed by:	Dr. S.S. Garg, General Manager & Head- ESMU, IIFCL	
Approved by Senior Staff with Overall responsibility for ESMS Implementation	Mr. Sanjeev Ghai, Chief General Manager, IIFCL	

**A. Environmental and Social Management System (ESMS)**

Sr. No.	Policies & Processes	Yes/No	
1.	Has your organization developed and implemented an ESMS?	Yes	ESSF was adopted by IIFCL in October 2008 which was subsequently revised in November, 2010 and July 2013 and Addendum to the ESSF for World Bank financed projects was issued in year 2014. The latest revised ESSF

<sup>1</sup> Reporting requirements outlined here pertained to ADB. Other DFIs also have similar requirements.

**Western U.P. Power Transmission Company Limited**

			<p>of February 2016 is available on IIFCL's website (<a href="http://www.iifcl.org/WriteReadData/userfiles/file/Final%20ESSF%20Feb%202016%2023_5_2016%20(1).pdf">http://www.iifcl.org/WriteReadData/userfiles/file/Final%20ESSF%20Feb%202016%2023_5_2016%20(1).pdf</a>)</p> <p>(If yes, please attach a copy of the ESMS to this report. Please indicate the date that the ESMS was established.)</p>																									
2.	If there is an ESMS already in place, have there been any updates to the ESMS or policy and procedures adopted by your organization during the reporting period?	Yes	<p>Based on ESMU's operational experience &amp; current practices, ESSF has been further revised which is in alignment with Govt. of India Guidelines/Regulations. During February 2016, Latest revised ESSF was approved by IIFCL Board which has been further shared with DFI's during May 2016. Weblink for the same is given above.</p> <p>(If yes, please provide a copy of the updates including dates and reasons for the same.)</p>																									
3.	Has senior management signed off on the updated policy/ procedure?	Yes	<p>Latest revised ESSF has been approved by IIFCL Board on 23<sup>rd</sup> February, 2016.</p> <p>(If yes, please provide the date and internal communication indicating the same.)</p>																									
4.	Has your organization appointed staff tasked to implement the ESMS?	Yes	<p>Environmental and Social Safeguards Management Unit (ESMU) has been set up at IIFCL in 2010 to fulfil the environmental &amp; social safeguard commitments based on ESSF guidelines.</p> <p>The ESMU is headed/ coordinated by a qualified full-time staff of IIFCL and currently two full-time environmental safeguards specialists and one full-time social safeguards specialist are engaged. The details of the ESMU team as on 31<sup>st</sup> January, 2017 are given below:</p> <table><tr><th>Sl. No</th><th>Name of Employee</th><th>Designation</th><th>Qualification</th><th>Experience in relevant field</th></tr><tr><td>1.</td><td>Dr. S. S. Garg</td><td>General Manager</td><td>Doctorate in Environmental Sciences, Diploma in Industrial Safety, Lead Auditor for ISO 14001 and OHSAS18001</td><td>22 yrs</td></tr><tr><td>2.</td><td>Dr. Ruchi Malik</td><td>Assistant General Manager - Environment Specialist</td><td>Doctorate in Environmental Sciences</td><td>15 yrs</td></tr><tr><td>3.</td><td>Dr. Rashmi Kadian</td><td>Assistant General Manager - Environment Specialist</td><td>Doctorate in Environmental Sciences</td><td>14 yrs</td></tr><tr><td>4.</td><td>Mr.</td><td>Assistant</td><td>Masters in</td><td>15 yrs</td></tr></table>	Sl. No	Name of Employee	Designation	Qualification	Experience in relevant field	1.	Dr. S. S. Garg	General Manager	Doctorate in Environmental Sciences, Diploma in Industrial Safety, Lead Auditor for ISO 14001 and OHSAS18001	22 yrs	2.	Dr. Ruchi Malik	Assistant General Manager - Environment Specialist	Doctorate in Environmental Sciences	15 yrs	3.	Dr. Rashmi Kadian	Assistant General Manager - Environment Specialist	Doctorate in Environmental Sciences	14 yrs	4.	Mr.	Assistant	Masters in	15 yrs
Sl. No	Name of Employee	Designation	Qualification	Experience in relevant field																								
1.	Dr. S. S. Garg	General Manager	Doctorate in Environmental Sciences, Diploma in Industrial Safety, Lead Auditor for ISO 14001 and OHSAS18001	22 yrs																								
2.	Dr. Ruchi Malik	Assistant General Manager - Environment Specialist	Doctorate in Environmental Sciences	15 yrs																								
3.	Dr. Rashmi Kadian	Assistant General Manager - Environment Specialist	Doctorate in Environmental Sciences	14 yrs																								
4.	Mr.	Assistant	Masters in	15 yrs																								

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			<table><tr><td></td><td>Krupasindh u Guru</td><td>General Manager - Social Specialist</td><td>Economics, Masters in Journalism, and LLB</td><td></td></tr></table>		Krupasindh u Guru	General Manager - Social Specialist	Economics, Masters in Journalism, and LLB	
	Krupasindh u Guru	General Manager - Social Specialist	Economics, Masters in Journalism, and LLB					
			(IF yes, please provide information on number of staff and qualification (experience and education background) to implement the ESMS.)					
5.	Please give details of any transactions rejected due to environmental and/or social concerns.	No	<p>During the reporting period (January 2016 – January 2017) one transaction i.e. GVK Bagodara Vasad Expressway Private Limited was replaced due to environmental concerns.</p> <p>The validity of environmental clearance got expired for this project. As the sub-project did not possess a valid EC, it was found to be non-compliant and recommended for removal from approved list of sub-projects and replaced by a compliant sub-project.</p>					
6.	Please state any difficulties and/or constraints related to the implementation of the ESMS.		<p>One of the pre requisites for getting funding (multilateral/bilateral financial institutions like World Bank, Asian Development Bank, and European Investment Bank) under line of credit is the evaluation of the subprojects on environmental and social issues. The ESSF of IIFCL provides an enabling mechanism to IIFCL to meet environmental and social safeguard requirements associated with sub-projects.</p> <p>As per the mandate, IIFCL finances upto 20% of project cost thus, IIFCL is a minor partner in the consortium. IIFCL follows the ESSF, whereas the other lending partners do not have such safeguard framework.</p> <p>The environmental and social safeguard requirement of any infrastructure project requires screening of vast quantum of data / information / statutory approvals / permits / periodic compliance monitoring reports etc. as per National safeguards requirements. Extracting this information from the developer is a time consuming process and is a challenging task.</p>					
7.	Please describe how you ensure that your clients and their investments are operated in compliance with the national laws and regulations and applicable DFI's safeguard requirements.		<p>In the Common Loan Agreement for each project funded by IIFCL, certain covenants are always put up reflecting concessionaire's liability to comply with applicable laws of land as required for project implementation.</p> <p>The safeguard compliance status of the project is examined during the due diligence study of the project. After the approval of the project by the DFIs, ESMU conducts annual audit of the projects to review whether the projects are operated in compliance with the applicable laws and regulations.</p> <p>To ensure compliance with DFIs safeguards requirements reports on implementation of EMP, reports on monitoring of environmental quality parameters, status of labour and safety management at project site, Periodic LIE reports and six monthly compliance reports submitted to MoEF are</p>					

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			generally shared by developer with IIFCL. The borrowers also engage EHS Corodinator/safety officers/engineers to look after the safety, health and environment related aspects.
8.	Please give details of any material social and environmental issues associated with clients during the reporting period in particular.		<p>The environmental safeguards requirement of any infrastructure project requires screening of vast quantum of data / information / statutory approvals / permits / periodic compliance monitoring reports etc. as per National safeguards requirements. Extracting this information from the developer is a time consuming process and is a challenging task.</p> <p>In case of social safeguards, no such issues were associated with the subproject during the reporting period.</p>
9.	In case the existing ESMS is not fully functional, what are the action plan beining implemented by your organization?		<p>Presently, existing ESMU is functional.</p> <p>(Please provide information or cite recommendation made by DFI's review mission to improve the ESMS and its implementation.)</p>
	<b>Capacity</b>	<b>Yes/No</b>	
10.	Please provide the name and contact information of the senior staff who has the overall responsibility for the implementation of ESMS.	Yes	<p>Mr Sanjeev Ghai, Chief General Manager has the overall resposibilty for the implementation of ESSF. His contact information is provided below:</p> <p>Telephone : +91 11 23450263, 23450261(Direct); Email : <a href="mailto:sanjeevghai@iifcl.org">sanjeevghai@iifcl.org</a></p> <p>(Please describe the training or learning activities the Environmental/Social Officer or Coordinator attended during the year.)</p>
11.	Please provide current staffing of other core ESMS persons in the organization involved with ESMS implementation.	Yes	<p>Please refer Section A, point no. 4 for details of ESMU persons of IIFCL.</p> <p>Please find attached details of Training programmes attended by ESMS Staff during reporting period of January 2016 to January 2017 as <b>Annexure-I</b>.</p> <p>(Please describe the training provided to the ESMS persons and other team members during the year.)</p>
12.	What was the budget allocated to the ESMS and its implementation during the year?	Yes	<p>ESMU is the core team of IIFCL and requisite budgetory provision is a part of IIFCL's overall budget.</p> <p>(Please provide budget details including staff costs and training as well as any actual costs.)</p>
	<b>Monitoring</b>		
13.	Do you receive environmental and social monitoring reports from Lead Banks/Borrowers?	Yes	<p>The project is monitored through Lenders Engineer's reporting. The Lender's Independent Engineer is appointed by the Lead Bank of the Lender's Consortium to monitor the physical, financial progress and the compliance of various regulatory requirements. LIE reports are provided by the Lead Bank to the IIFCL. The LIE reports generally cover areas related to statutory approval status, forest diversion, tree cutting status, safety management, land acquisition status and pending litigation etc.</p> <p>From Borrowers, IIFCL receives reports on implementation of EMP, reports on monitoring of environmental quality parameters, status of safety management at project site</p>

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			<p>and six monthly compliance reports submitted to MoEF, Statutory Permitting status, Institutional arrangement, Accident/Incident data etc..</p> <p>(If yes, please describe and provide supporting documents including any social and environmental considerations if applicable.)</p>
14.	Do you check for ongoing compliance of your clients with national regulation and any other requirements?	Yes	<p>During the environmental and social due diligence study and subsequent audit, the compliance of the project with the applicable regulation is checked with available documentation. For projects having critical issues related to Safeguards compliance, The site visit is carried out by ESMU for field verification &amp; monitor the Implementation progress.</p> <p>(If yes, please describe the process including any social and environmental considerations if applicable.)</p>
15.	Please describe how you monitor the clients and their investments social and environmental performance.		<p>The social and environmental performances are checked during the preparation of Environmental and Social Due Diligence Report and annual audit. Each approved project is evaluated for its environmental and social safeguard compliance performance against the applicable safeguard requirements at the time of annual audit. The compliance status is also assessed through the LIE report which covers the statutory approval status, forest diversion, tree cutting status, safety management, land acquisition, shifting of common property resources status and pending litigation etc; reports on implementation of EMP, reports on monitoring of environmental parameters, status of safety management, six monthly compliance reports and through site visits.</p> <p>Out of the 16 sub-projects approved under AIIFI Line of credit, site visits were conducted for three sub-projects in the year 2016 and two projects were visited at the end of 2015 for the purpose of ESDDR preparation. Three sub-projects undergoing construction phase, were also visited in the year 2016 for annual audit purpose. Projects which achieved COD during reporting period &amp; approved under Takeout Finance scheme by ADB, were not considered necessary for site visit as there were no pending or critical issues found. For such cases, safeguards audit reports have been prepared based on review of safeguards compliance information/records related to project and discussions with project developer team.</p> <p>(Please describe and provide supporting documents such as environmental and social monitoring reports and please provide information on the number of subprojects where a field visit was conducted by staff to review aspects including social and environmental issues.)</p>
16.	<p>Please provide details of any accidents/litigation/complaints /regulatory notices and fines:</p> <ul style="list-style-type: none"> <li>- Any incidents of non-compliance with the applicable Environmental and Social Requirements</li> <li>- Covenants/conditionalities imposed by IIFCL to the client as a result of any non-compliance</li> </ul>		<p>The project specific details are provided in Section 'C'.</p>
	<b>Reporting</b>		

## Western U.P. Power Transmission Company Limited

17.	Is there an internal process to report on social and environmental issues to Senior management?	Yes	<p>The ESDDR (one time document) and Audit sheets are approved by the Senior Management.</p> <p>The ESDDR is a detailed due-diligence report on environmental &amp; social safeguards and annual audit sheet is reported in the present format in which this environmental and social performance report has been prepared.</p> <p>(If yes, please explain the process, reporting format and frequency and actions taken if any.)</p>
18.	<p>Do you prepare any social and environmental reports:</p> <ul style="list-style-type: none"> <li>- For other multilateral agencies</li> <li>- Other stakeholders</li> <li>- E&amp;S reporting in the Annual Report</li> <li>- Sustainability reports</li> </ul>	Yes	<p>ESMU prepares Environment and Social Due Diligence report for the projects which are posed to other DFIs to draw down, under their line of credit. IIFCL's annual report also reports on the ESSF since the year 2008-09 and ESMU since its inception in the year 2009-10.</p> <p>The Annual Reports are uploaded on IIFCL website and weblink for the same is given below:</p> <p><a href="http://www.iifcl.org/Content/report.aspx?mid=17&amp;bid=2&amp;cid=1">http://www.iifcl.org/Content/report.aspx?mid=17&amp;bid=2&amp;cid=1</a></p> <p>(If yes, please provide copies of these reports.)</p>

Sr. No.	B. Activities on DFI's Prohibited Investment Activities List	
1.	If any, please indicate the dollar percentage of loans or investments out of your total outstanding exposure provided to clients who are substantially involved in DFI's Prohibited Investment Activities List (Refer to Annexure V of SPS,2009)	Not applicable, since, IIFCL does not finance in activities as per prohibited investment list.
2.	If the percentage is not zero, please explain these exposures and any steps having been taken to reduce such exposure.	Not applicable

### C. Subprojects Using DFI Funds

Please provide information about all new investments using DFI funds approved during this reporting period.

1.	Name of Subproject:	<p>Construction of 765kv and 400kv transmission lines &amp; associated substations in the state of Uttar Pradesh being implemented on Public Private Partnership (PPP) under Build, Own, Operate, Transfer (BOOT) basis.</p> <p>Sub-project Developer: Western U.P. Power Transmission Company Limited (WUPPTCL)</p>
2.	Location:	Transmission Lines will pass through Mainpuri, Etah, Aligarh, Bulandshar, Gautham Budh Nagar, Gaziabad, Hapur and Bijnore districts in Uttar Pradesh State, India
3.	Sector:	Electrical Transmission Sector

4.	Total loan from IIFCL/DFI (US\$ mn):	10.55 Million USD
5.	Safeguard category: (Annex E-3)	<p>Environmental Impacts Category: B</p> <p>No Tribal People are affected</p> <p>No residential commercial structures are affected.</p>
6.	Were any environmental and social due diligence undertaken and by your organization?	<p>Yes, Environmental &amp; Social Due-diligence for WUPPTCL project was undertaken by Environmental and Social safeguard specialists of IIFCL for which desk review of safeguards documents was carried out, along with field verification done during site visit conducted on 21<sup>st</sup>-22<sup>nd</sup> January, 2016.</p> <p>Environmental &amp; Social Safeguards Due-diligence report for Western U.P. Transmission Project was submitted to ADB in the month of May 2016.</p> <p>For annual audit purpose, Review of Project's E&amp;S safeguards related information has also been done for reporting period.</p>
7.	Any environmental assessment report (including environmental management plan), involuntary resettlement plan, or indigenous peoples plan, or audit reports reviewed by your organization?	<p>The Environmental safeguard due-diligence study was carried out for the project on the basis of site visit observations and understanding project scope based on information and documents provided by Concessionaire.</p> <p><b><u>Environmental Safeguards:</u></b></p> <p>The following documents were referred in order to prepare Environmental Safeguards Due-Diligence Report:</p> <ul style="list-style-type: none"> <li>• Project Information Memorandum (PIM);</li> <li>• WUPPTCL's Transmission Agreement;</li> <li>• Project Statutory Approvals;</li> <li>• Project's EPC Contract;</li> <li>• Project's Monthly Progress Report for December 2015, January 2016;</li> <li>• Project's Public Notices;</li> <li>• Document related to Environmental Impacts &amp; Mitigation Measures including compliance status during construction phase</li> <li>• Institutional Setup for Safety Management in WUPPTCL project</li> </ul> <p><b><u>Social Safeguards:</u></b> The Social safeguard due diligence study for the project was undertaken based on the review of following documents and information:</p> <ul style="list-style-type: none"> <li>• Information Memorandum (IM);</li> <li>• Detail Project Report (DPR)</li> <li>• Lenders Independents Engineers Report (LIE) (January 2016);</li> <li>• Gazette Notification;</li> <li>• Transmission License;</li> </ul>

		<ul style="list-style-type: none"> <li>• Labour License;</li> <li>• Notice under Indian Telegraphic Act, 1885</li> <li>• Information regarding the methodology adopted for crop compensation;</li> <li>• Discussion with developer.</li> </ul> <p>(If yes, please provide the names of documents reviewed.)</p>
8.	What were the main environmental, involuntary resettlement and indigenous peoples issues associated with this subproject that were identified through due diligence conducted by your organization, and how were the issues dealt with (i.e., outcome of due diligence)?	<p><b><u>Environmental Safeguards:</u></b></p> <p>During ESDDR preparation, no environmental issues were identified for addressal in Western U.P. Power Transmission project.</p> <p>For Annual Audit purpose, the following documents, as received from M/s. WUPPTCL, has been reviewed for the current reporting period:</p> <ul style="list-style-type: none"> <li>• Valid copies of Statutory Approvals (Labor License, Central Electricity Authority Approvals for energization-Measures related to safety and electric Supply, Civil aviation approvals, Defense approvals, In-principle DFO Approval for forest diversion, Tree Cutting Permissions )</li> <li>• Lender's Independent Engineer Report, June 2016;</li> <li>• EMP Compliance status for reporting period</li> <li>• Institutional Setup for Safety Management in WUPPTCL project</li> <li>• Accident –Incident Status during reporting period</li> <li>• Design Drawings related to water drains, Transformer Oil sump pits and rainwater harvesting pits at substation locations</li> <li>• Confirmations related to EMP Compliance and Safety Management at work sites</li> </ul> <p>For the purpose of annual audit related to Environmental safeguards implementation at site, following confirmations has been provided by the developer:</p> <ul style="list-style-type: none"> <li>• Project developer has confirmed that continued compliance is being done by the facility owner and the EPC &amp; O&amp;M contractors with the prevailing environmental and Labour safety related regulations, and with the terms and conditions stipulated for according statutory environmental/Safety related approvals /consents by different authorities.</li> <li>• Compliances related to EMP implementation are being carried out including aspects related to Labour Health, Safety and Hygiene of Construction workers.</li> <li>• At work sites, Safety Measures are adhered to</li> </ul>

		<p>ensure safety of the workers. Safety awareness programs are conducted for staff on periodic basis as confirmed by project developer.</p> <ul style="list-style-type: none"> <li>• For different Transmission Line sections, tree cutting permissions have been obtained from regional forest dept.</li> <li>• Project developer has informed that at present, there are no Hazardous wastes generated at project site.</li> <li>• To avoid oil spillage from Transformers, all transformers are provided with soak / sump pit from where the oil is provisioned to be drained through pumps.</li> <li>• During the reporting period, it has been confirmed that there were no incidents reported related to any safety issue.</li> <li>• As per June 2016 LIE Report, All major "Civil &amp; Erection Work" has been completed at substation locations within the month of March, 2016, except substation metal road landscaping and gardening work.</li> <li>• Project developer informed that there is rare chance of bird deaths in high voltage conductor lines since the high clearance between conductors, and long jumper distance avoiding chances of contact for bird wings. Project developer also informed that there has been no bird mortality case due to project T/L operation.</li> <li>• Details related to exact status of tree cutting &amp; tree plantation, records for safety audits/trainings during reporting period, could not be obtained from project developer.</li> </ul> <p>During review of safeguards documents for reporting period, no environmental issues were identified for addressal in Western U.P. Transmission Power project.</p> <p><b><u>Social Safeguards:</u></b> During the due diligence study, the project did not had any issues related to social safeguards. The project was already in operation from 2<sup>nd</sup> April 2012. The land was already under the possession of the project developer and the grievance redressal mechanism was in place. There were no grievances from the local/ affected people. Employment opportunities are provided for non-technical work like module cleaning, grass cutting, etc. to the local people for O&amp;M activities. Concessionaire had undertaken community development activities based on the demands raised by the local people. Thus, no social safeguard issues were identified in the project during the due-diligence study.</p> <p>For the purpose of annual audit, information related to social</p>
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		<p>safeguards was obtained from the developer. Following points has been confirmed by the developer:</p> <ul style="list-style-type: none"> <li>• The subproject WUPPTCL was prepared by UPPTCL to establish and strengthen the transmission system in the state of UP tariff based competitive bidding process;</li> <li>• The sup project, WUPPTCL has been prepared prior to the ADB's involvement and IIFCL entered into the project after technical closure and before the financial closure of the project.;</li> <li>• The subproject WUPPTCL was prepared by UPPTCL for its own requirement not in anticipation of ADB's procedure;</li> <li>• The Transmission project was disclosed through Gazette Notifications by Uttar Pradesh Govt. on dated 26<sup>th</sup> November 2012, under Section 164 of the Electricity Act, 2003 and under Indian Telegraph Act, 1885.</li> <li>• Further, the notification which was published in the English daily News Paper "The Times of India on 29<sup>TH</sup> April 2012 on behalf of WUPPTCL have also been disclosed for the local people by Uttar Pradesh Electricity Regulatory Commission (UPERC). Moreover the details about the project which were published in the Vernacular language in the regional daily in English and Hindi Daily Newspapers like "The Hindustan Times" (English), "The Indian Express " (English), "The Rashtriya Sahara " (Hindi), and "The Hindustan" (Hindi) on dated 14<sup>th</sup> February 2012 simultaneously.</li> <li>• No litigation case related to land acquisition and compensation;</li> <li>• No displacement of people because of this project;</li> <li>• No tribal people affected because of this project;</li> <li>• No adverse impact on residential or commercial or any other structures along the project.;</li> <li>• Crop compensation is being paid to the land owners as per section 164 of The Electricity Act 2003 and Indian Telegraph Act 1885, which is being paid to the affected land owners for use of Right of Way during excavation, erection and stringing of transmission line;</li> <li>• The compensation for the loss crops or any other</li> </ul>
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**Western U.P. Power Transmission Company Limited**

		<p>temporary impact due to the loss of property is being paid in three stages. At first it is paid during the construction of foundation of the tower, second time during the tower erection and lastly during the stringing stage;</p> <p>Thus, based on the due diligence, the project does not have any social safeguard issues for the reporting period.</p>
9.	Did you discuss with the Lead Bank the applicable environmental and social safeguard requirements and their implementation?	On periodic basis, Lender's consortium meets take place in which Project's physical & financial progress is discussed including critical environmental & social safeguards issues, if any.
10.	For category A subproject, were safeguards related documents such as EIA, RP and IPP, or audit reports made publicly available, in addition to posting on ADB's website?	<p>WUPPTCL sub-project doesn't fall under category A as per ADB's safeguards requirements.</p> <p>(If yes, please provide website link and the date the documents were uploaded.)</p>
11.	Were any conditions or covenants related to environmental and social issues made along with the investment?	<p>The compliance to the applicable laws of land is included as a covenant in the loan agreement signed by the Lead Bank and other lending consortium members with the Concessionaire.</p> <p>(If yes, please briefly describe.)</p>
12.	Does the investment comply with applicable government requirements?	Yes
13.	Does the investment comply with applicable DFI safeguard requirements?	Yes

#### ANNEX S-4: RESETTLEMENT SCREENING CHECKLIST

Impact	Not Known	Yes	No	Indication of scope (no. of affected persons, land area, land use, structures, etc.)
Is the prospective subproject company (PPC) undertaking or likely to undertake any land acquisition?		√		<p><b>Substation:</b> As a Public Private Participation (PPP) project, the land acquisition process is assisted and executed by Uttar Pradesh Transmission Corporation Ltd. (UPPTCL), as a Govt. of Uttar Pradesh company with the help of District Administration.</p> <p><b>Erection of Transmission line:</b> However, Indian Telegraph Act 1885, Part III, Section 10 (b) prohibits acquisition of any right other than that use of RoW only.</p>
Is the PPC acquiring land through willing buyer to willing seller transactions?		√		
Does the PPC have any agreements or is it likely to enter into agreements with the government for provision of sites or land or rights to land?		√		<p><i>Notice issued to the affected people:</i> under the indian telegraphic act. 1884, section 10 to 19 read with section 42 of electricity (supply) act 1984, notices is issued to the affected land owner. the notice/intimation letters were issued to the project affected people to communicate them about the project and the transmission line will go through the property.</p> <p>Land for the substation is being made available by UP Power Transmission Corporation Ltd. on lease basis. The detail of the Lease Deed was given in Appendix-XII in the ESDDR</p>
Is any of the land used by the PPC (or likely to be used by the PPC) compulsorily acquired?			✓	
Will any PPC activities involve restrictions of use on adjoining land?			NA	
Are the sites for land acquisition known?		√		
What is the ownership status of the land?				In case of substations lease deed has been made in the name of Western UP Power Transmission Co. Ltd. The detail of the Lease Deed was

				<p>given in Appendix-XII in the ESDDR.</p> <p>The subproject developer has got the permission for land conversion from District Sub- Collector Gaziabad for the purpose of Commercial use of the land. The land conversion letter was given in Appendix-XIII.</p> <p>In case of Transmission line only RoW has been used by the subproject developer and the ownership status of the land is with the land owner and crop compensation is paid for RoW use.</p>
Are non-titled persons present?			NA	
Will tenants, lessees, share farmers, or other third party users be affected?			NA	
Will there be loss of housing?			√	
Will there be loss of crops, trees, and other fixed assets?		√		<p>Crop compensation is being paid to the land owners for use if RoW clearance in accordance with Indian Telegraph Act 1885.</p> <p>The details of the copy of the notice to the land owner, crop compensation evaluation sheets, measurement sheet of the affected area, personal detail of the land owners, bank details and regarding the tower foundation, erection and stringing was given in Appendix-IX, Appendix- X and Appendix-XI of the ESDDR .</p>
Will there be loss of incomes and livelihoods?			NA	
Will access to facilities, services, or resources be lost?			NA	
Will there be loss of businesses or enterprises?			NA	
Will any social or economic activities be affected by land use related changes?			NA	
<b>If involuntary resettlement impacts are expected:</b>				
Are local laws and regulations compatible with DFI's			NA	

involuntary resettlement policy?				
Will land be acquired through the government or by the PPC?			NA	
Do PPC agreements with the government (if any) specify involuntary resettlement will be conducted in accordance with international standards?			NA	
Does the government executing agency/PPC have sufficient skilled resources for resettlement planning and implementation?			NA	
Are training and capacity building required prior to resettlement planning and implementation?			NA	

**Note:** The process of land acquisition/RoW use has been initiated before IIFCL's involvement with the project.

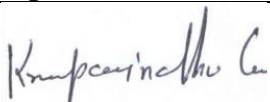
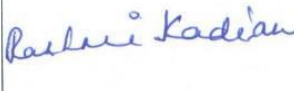

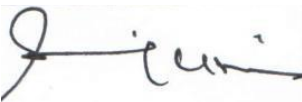
## ANNEX S-5: TRIBAL PEOPLES EFFECTS SCREENING CHECKLIST

<b>Impact on Tribal Peoples</b>	<b>Not Known</b>	<b>Yes</b>	<b>No</b>	<b>Remarks or identified problems, if any</b>
Are there tribal groups present in project locations?			✓	
Do they maintain distinctive customs or economic activities that may make them vulnerable to hardship?			NA	
Will the subproject restrict their economic and social activity and make them particularly vulnerable in the context of project?			NA	
Will the subproject change their socioeconomic and cultural integrity? <sup>1</sup>			NA	
Will the subproject disrupt their community life?			NA	
Will the subproject positively affect their health, education, livelihood, or social security status?			NA	
Will the subproject negatively affect their health, education, livelihood, or social security status?			NA	
Will the subproject alter or undermine the recognition of their knowledge, preclude customary behaviors, or undermine customary institutions?			NA	
In case there is no disruption of tribal community life as a whole, will there be loss of housing, loss of land, crops, trees, and other fixed assets owned or controlled by individual tribal households?			NA	

<sup>1</sup> That is, undermine their production systems and the maintenance and transmission of their cultural patterns.

# ANNEX E-17: PERIODIC ENVIRONMENTAL AND SOCIAL PERFORMANCE REPORT FOR SUBPROJECTS APPROVED UNDER ADB'S LINE OF CREDIT, AIIFI (PFR-I)

Please provide responses to the questions below. Please include additional sheets or attachments as required to provide details on questions that have been answered Yes. IIFCL is required to submit the periodic performance report to DFIs (see footnote below)<sup>1</sup>. This format is only for guidance and could be improved.

<b>Name of Organization</b>	India Infrastructure Finance Company Limited (IIFCL)	
<b>Name of Sub-project</b>	50 MW Solar PV project at District Anantapur, Andhra Pradesh, India	
<b>Name of Sub-project Developer</b>	AaroHi Solar Private Limited	
<b>Reporting Period</b>	From October - 2016 to January - 2017	
<b>Audit Activity</b>	<b>Name &amp; Designation</b>	<b>Signature</b>
Prepared by	Mr. Krupasindhu Guru Assistant General Manager (Social Safeguard Specialist)	
	Dr. Rashmi Kadian Assistant General Manager (Environment Specialist)	
Reviewed By	Dr S. S. Garg General Manager & Head, ESMU	
Approved by & Senior Staff with overall responsibility for ESMS implementation	Mr. Sanjeev Ghai Chief General Manager	

## A. Environmental and Social Management System (ESMS)

	<b>Policies &amp; Processes</b>	<b>Yes/ No</b>	
1.	Has your organization developed and implemented an ESMS?	Yes	ESSF was adopted by IIFCL in October 2008 which was subsequently revised in November, 2010 and July 2013 and Addendum to the ESSF for World Bank financed projects was issued in year 2014. The latest revised ESSF of February 2016 is available on IIFCL's website ( <a href="http://www.iifcl.org/WriteReadData/userfiles/file/Final%20ESSF.pdf">http://www.iifcl.org/WriteReadData/userfiles/file/Final%20ESSF.pdf</a> )  (If yes, please attach a copy of the ESMS to this report. Please indicate the date that the ESMS was established.)
2.	If there is an ESMS already in place, have there been any updates to the ESMS or policy and procedures adopted by your organization during the reporting period?	Yes	Based on ESMU's operational experience & current practices, ESSF has been further revised which is in alignment with Govt. of India Guidelines/Regulations. During February 2016, Latest revised ESSF was approved by IIFCL Board which has been further shared with DFI's during May 2016. Weblink for

<sup>1</sup> Reporting requirements outlined here pertained to ADB. Other DFIs also have similar requirements.

			the same is given above.  (If yes, please provide a copy of the updates including dates and reasons for the same.)																									
3.	Has senior management signed off on the updated policy/ procedure?	Yes	The ESSF 2016 has been approved by IIFCL Board on 23 <sup>rd</sup> February 2016.  (If yes, please provide the date and internal communication indicating the same.)																									
4.	Has your organization appointed staff tasked to implement the ESMS?	Yes	<p>Environmental and Social Safeguards Management Unit (ESMU) has been set up at IIFCL in 2010 to fulfil the environmental &amp; social safeguard commitments based on ESSF guidelines.</p> <p>The ESMU is headed/ coordinated by a qualified full-time staff of IIFCL and currently two full-time environmental safeguards specialists and one full-time social safeguards specialist are engaged. The details of the ESMU team as on January 2017 are given below:</p> <table><tr><th>Sl. No</th><th>Name of Employee</th><th>Designation</th><th>Qualification</th><th>Experience in relevant field</th></tr><tr><td>1.</td><td>Dr. S. S. Garg</td><td>General Manager (GM) &amp; Head, ESMU</td><td>Doctorate in Environmental Sciences, Diploma in Industrial Safety, Lead Auditor for ISO 14001 and OHSAS18001</td><td>22 yrs</td></tr><tr><td>2.</td><td>Dr. Ruchi Malik</td><td>Assistant General Manager (AGM)-Environment Specialist</td><td>Doctorate in Environmental Sciences</td><td>15 yrs</td></tr><tr><td>3.</td><td>Dr. Rashmi Kadian</td><td>Assistant General Manager (AGM)-Environment Specialist</td><td>Doctorate in Environmental Sciences</td><td>14 yrs</td></tr><tr><td>4.</td><td>Mr. Krupasin dhu Guru</td><td>Assistant General Manager (AGM)-Social Specialist</td><td>Masters in Economics, Masters in Journalism, and LLB</td><td>15 yrs</td></tr></table>	Sl. No	Name of Employee	Designation	Qualification	Experience in relevant field	1.	Dr. S. S. Garg	General Manager (GM) & Head, ESMU	Doctorate in Environmental Sciences, Diploma in Industrial Safety, Lead Auditor for ISO 14001 and OHSAS18001	22 yrs	2.	Dr. Ruchi Malik	Assistant General Manager (AGM)-Environment Specialist	Doctorate in Environmental Sciences	15 yrs	3.	Dr. Rashmi Kadian	Assistant General Manager (AGM)-Environment Specialist	Doctorate in Environmental Sciences	14 yrs	4.	Mr. Krupasin dhu Guru	Assistant General Manager (AGM)-Social Specialist	Masters in Economics, Masters in Journalism, and LLB	15 yrs
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			(If yes, please provide information on number of staff and qualification (experience and education background) to implement the ESMS.)
5.	Please give details of any transactions rejected due to environmental and/or social concerns.	Yes	<p>During the reporting period (January 2016 – January 2017) one transaction i.e. GVK Bagodara Vasad Expressway Private Limited was replaced due to environmental concerns.</p> <p>The validity of environmental clearance has expired. As the sub-project did not possess a valid EC, it was found to be non-compliant and recommended for removal from approved list of sub-projects and replaced by a compliant sub-project.</p>
6.	Please state any difficulties and/or constraints related to the implementation of the ESMS.		<p>One of the pre requisites for getting funding (multilateral/bilateral financial institutions like World Bank, Asian Development Bank, and European Investment Bank) under line of credit is the evaluation of the subprojects on environmental and social issues. The ESSF of IIFCL provides an enabling mechanism to IIFCL to meet environmental and social safeguard requirements associated with sub-projects.</p> <p>As per the mandate, IIFCL finances upto 20% of project cost, IIFCL is a minor partner in the consortium. IIFCL follows the ESSF, whereas the other lending partners do not have such safeguard framework.</p> <p>The environmental and social safeguard requirement of any infrastructure project requires screening of vast quantum of data / information / statutory approvals / permits / periodic compliance monitoring reports etc. as per National safeguards requirements. Extracting this information from the developer is a time consuming process and is a challenging task.</p> <p>IIFCL monitors the project through Lender's Engineer Report, site visits and E&amp;S information sought from the concessionaire periodically.</p>
7.	Please describe how you ensure that your clients and their investments are operated in compliance with the national laws and regulations and applicable DFI's safeguard requirements.		<p>In the Common Loan Agreement for each project funded by IIFCL, certain covenants are always put up reflecting concessionaire's liability to comply with applicable laws of land as required for project implementation.</p> <p>The safeguard compliance status of the project is examined during the due diligence study of the project. After the approval of the project by the DFIs, ESMU conducts annual audit of the projects to review whether the projects are operated in compliance with the applicable laws and regulations.</p> <p>To ensure compliance with DFIs safeguards requirements reports on implementation of EMP, reports on monitoring of environmental parameters, status of safety management, LIE reports and six monthly compliance reports are generally shared by developer with IIFCL. The borrowers also engage safety officers/engineers to look after the safety, health and</p>

			environment related aspects.
8.	Please give details of any material social and environmental issues associated with clients during the reporting period in particular.		<p>The environmental and social safeguard requirement of any infrastructure project requires screening of vast quantum of data / information / statutory approvals / permits / periodic compliance monitoring reports etc. as per National safeguards requirements. Extracting this information from the developer is a time consuming process and is a challenging task.</p> <p>IIFCL monitors the project through Lender's Engineer Report, site visits and E&amp;S information sought from the concessionaire periodically. No such social issues are associated with the subproject during the reporting period.</p>
9.	In case the existing ESMS is not fully functional, what are the action plan being implemented by your organization?		<p>Presently, existing ESMU is functional.</p> <p>(Please provide information or cite recommendation made by DFI's review mission to improve the ESMS and its implementation.)</p>
	<b>Capacity</b>	<i>Yes/ No</i>	
10.	Please provide the name and contact information of the senior staff who has the overall responsibility for the implementation of ESMS.	Yes	<p>Mr Sanjeev Ghai, Chief General Manager has the overall responsibility for the implementation of ESSF. His contact information are provided below:</p> <p>Telephone : +91 11 23450263, 23450261 (Direct); Email : <a href="mailto:sanjeevghai@iifcl.org">sanjeevghai@iifcl.org</a></p> <p>(Please describe the training or learning activities the Environmental/Social Officer or Coordinator attended during the year.)</p>
11.	Please provide current staffing of other core ESMS persons in the organization involved with ESMS implementation.	Yes	<p>Please refer Section A, point no. 4 for details of ESMU persons of IIFCL.</p> <p>Please find attached details of Training programmes attended by ESMS Staff during reporting period of January 2016 to January 2017 as <b>Annexure-I</b>.</p> <p>(Please describe the training provided to the ESMS persons and other team members during the year.)</p>
12.	What was the budget allocated to the ESMS and its implementation during the year?	Yes	<p>ESMU is the core team of IIFCL and requisite budgetary provision is a part of IIFCL's budget.</p> <p>(Please provide budget details including staff costs and training as well as any actual costs.)</p>
	<b>Monitoring</b>		
13.	Do you receive environmental and social monitoring reports from Lead Banks/Borrowers?	Yes	<p>The project is monitored through Lenders Engineer's reporting. The Lender's Independent Engineer is appointed by the Lead Bank of the Lender's Consortium to monitor the physical, financial progress and the compliance of various regulatory requirements. Periodic LIE reports are provided by the Lead Bank to the IIFCL. The LIE reports generally cover areas related to statutory approval status, forest diversion, tree cutting status, safety management, land acquisition status, utility shifting and pending litigation etc.</p>

			<p>From Borrowers, IIFCL receives reports on implementation of EMP, reports on monitoring of environmental parameters, status of safety management and six monthly compliance reports, etc.</p> <p>(If yes, please describe and provide supporting documents including any social and environmental considerations if applicable.)</p>
14.	Do you check for ongoing compliance of your clients with national regulation and any other requirements?	Yes	<p>During the environmental and social due diligence study and subsequent audit, the compliance of the project with the applicable regulation is checked with available documentation. The site visit is carried out by ESMU for field verification.</p> <p>(If yes, please describe the process including any social and environmental considerations if applicable.)</p>
15.	Please describe how you monitor the clients and their investments' social and environmental performance.		<p>The social and environmental performances are checked during the preparation of Environmental and Social Due Diligence Report and annual audit. Each approved project is evaluated for its environmental and social safeguard compliance performance against the applicable safeguard requirements at the time of annual audit. The compliance status is also assessed through the LE report which covers the statutory approval status, forest diversion, tree cutting status, safety management, land acquisition, shifting of common property resources status and pending litigation etc; reports on implementation of EMP, reports on monitoring of environmental parameters, status of safety management, six monthly compliance reports and through site visits.</p> <p>Out of the 16 sub-projects approved under AIIFI Line of credit, site visits were conducted for three sub-projects in the year 2016 and two projects were visited at the end of 2015 for the purpose of ESDDR preparation. Three sub-projects undergoing construction phase, were also visited in the year 2016 for annual audit purpose. Projects which achieved COD during reporting period &amp; approved under Takeout Finance scheme by ADB, were not considered necessary for site visit as there were no pending or critical issues are found. For such cases, safeguards audit reports have been prepared based on review of safeguards compliance information/records related to project and discussions with project developer team.</p> <p>(Please describe and provide supporting documents such as environmental and social monitoring reports and please provide information on the number of subprojects where a field visit was conducted by staff to review aspects including social and environmental issues.)</p>
16.	<p>Please provide details of any accidents/litigation/complaints /regulatory notices and fines:</p> <ul style="list-style-type: none"> <li>- Any incidents of non-compliance with the applicable Environmental and Social Requirements</li> </ul>		<p>The project specific details are provided in Section 'C'.</p>

	- Covenants/conditionalities imposed by IIFCL to the client as a result of any non-compliance		
	<b>Reporting</b>		
17.	Is there an internal process to report on social and environmental issues to Senior management?	Yes	<p>The ESDDR (one time document) and Audit sheets are approved by the Senior Management.</p> <p>The ESDDR is a detailed report on environmental as well as social safeguards and annual audit sheet is reported in the present format.</p> <p>(If yes, please explain the process, reporting format and frequency and actions taken if any.)</p>
18.	Do you prepare any social and environmental reports: <ul style="list-style-type: none"> <li>- For other multilateral agencies</li> <li>- Other stakeholders</li> <li>- E&amp;S reporting in the Annual Report</li> <li>- Sustainability reports</li> </ul>	Yes	<p>ESMU prepares Environment and Social Due Diligence report for the projects which are posed to other DFIs to draw down, under their line of credit. IIFCL's annual report also reports on the ESSF since the year 2008-09 and ESMU since its inception in the year 2009-10.</p> <p>The Annual Reports are uploaded on IIFCL website and weblink for the same is <a href="http://www.iifcl.org/Content/report.aspx?mid=17&amp;bid=2&amp;cid=1">http://www.iifcl.org/Content/report.aspx?mid=17&amp;bid=2&amp;cid=1</a></p> <p>(If yes, please provide copies of these reports.)</p>

**B. Activities on DFI's Prohibited Investment Activities List**

1.	If any, please indicate the dollar percentage of loans or investments out of your total outstanding exposure provided to clients who are substantially involved in DFI's Prohibited Investment Activities List (Refer to Annexure V of SPS 2009).	Not applicable, since, IIFCL does not involve in the prohibited investment activities.
2.	If the percentage is not zero, please explain these exposures and any steps having been taken to reduce such exposure.	Not applicable

**C. Subprojects Using DFI Funds**

Please provide information about all new investments using DFI funds approved during this reporting period.

1.	Name of Subproject:	Sub-project Developer: Aarohi Solar Private Limited (ASPL)  Sub-project: 50 MW Solar PV Project at Anantapur, Andhra Pradesh, India
2.	Location:	District Anantapur in the State of Andhra Pradesh, India
3.	Sector:	Renewable (Solar PV)
4.	Total loan from IIFCL/DFI (US\$ MN):	6.08 US \$ MN
5.	Safeguard category:	Environmental Category B

	(Annex E-3)	<p>As confirmed by the subproject developer that, the project construction and operation is not affecting any tribal people.</p> <p>During the site visit it was observed that, there is no a commercial / residential structure or inhabitants dwelling on or near to the site.</p>
6.	Were any environmental and social due diligence undertaken by your organization?	<p>Environmental &amp; Social Due-Diligence for AaroHi Solar Private Limited (ASPL) was undertaken by ESMU Safeguard Specialists for which desk review of safeguards related documents was carried out along with field verification on 4<sup>th</sup>-5<sup>th</sup> July 2016.</p> <p>Review of safeguard related information was also done for the period October 2016 – January 2017 for annual audit purpose.</p> <p>(If yes, provide information on due diligence activities, such as desk review of safeguard documents, and field visit, and by whom.)</p>
7.	Any environmental assessment report (including environmental management plan), involuntary resettlement plan, or indigenous peoples plan, or audit reports reviewed by your organization?	<p><b><u>Environmental Safeguard:</u></b></p> <p>The Environmental Safeguard Due-Diligence study was carried out for the sub-project on the basis of site visit observations and understanding project scope based on information and documents provided by the Concessionaire.</p> <p>The following documents were referred/reviewed in order to prepare Environmental Safeguards Due-Diligence Report:</p> <ul style="list-style-type: none"> <li>• Environmental &amp; Social Impact Assessment Report</li> <li>• Project Statutory Approvals</li> <li>• Environment Management Plans and its implementation</li> <li>• Detailed Project Report</li> <li>• Power Purchase Agreement</li> <li>• Project Information Memorandum (PIM)</li> <li>• Environment &amp; Social Management System of ACSPL</li> <li>• Sample copies of Monthly Environment, Safety Reports &amp; other records</li> <li>• EPC Contract Documents</li> <li>• Grievance Handling Mechanism of ASPL</li> </ul> <p><b><u>Social Safeguard</u></b></p> <p>The social due diligence report for the project has been initiated after review of Environmental &amp; Social Impact Assessment Report (ESIA), Project Information Memorandum (PIM), and DPR. On site visit and detail consultation/discussion with the project developer ASPL and various permits and approvals relating to the project to understand the salient features of the project and various social concerns. The following documents/Reports/Licenses and notifications were referred in order to prepare the Social Safeguard Due Diligence Report:</p> <ul style="list-style-type: none"> <li>• Environmental &amp; Social Impact Assessment Report;</li> <li>• Project Information Memorandum (PIM);</li> </ul>

		<ul style="list-style-type: none"> <li>• Power Purchase Agreements;</li> <li>• Detailed Project Report (DPR);</li> <li>• Evacuation approval from AP Transco;</li> <li>• Lease Deed;</li> <li>• Land Conversion letter</li> <li>• Land details of the Farmers</li> <li>• Discussion with developer during site visit on 4<sup>th</sup> -5<sup>th</sup> July 2016.</li> </ul> <p>(If yes, please provide the names of documents reviewed.)</p>
8.	<p>What were the main environmental, involuntary resettlement and indigenous peoples issues associated with this subproject that were identified through due diligence conducted by your organization, and how were the issues dealt with (i.e., outcome of due diligence)?</p>	<p><b><u>Environmental Safeguard</u></b></p> <p>The Environmental Safeguard Due-Diligence study was carried out for the sub-project on the basis of site visit observations and understanding project scope based on information and documents provided by the Concessionaire. There were no environmental issues identified to be addressed at the sub-project at the time of due diligence. The sub-project has been commissioned during March 2016.</p> <p>The following documents are referred for the purpose of E&amp;S annual audit of the sub-project:</p> <ul style="list-style-type: none"> <li>• Statutory permits &amp; approvals</li> <li>• HSE measures being implemented at site – records</li> <li>• EHS Committee details and records</li> <li>• Water Consumption details</li> <li>• Monthly Safety report – September 2016</li> </ul> <p>Following are the observations / outcome of the review of documents / information for annual audit :</p> <ul style="list-style-type: none"> <li>• The sub-project has been commissioned on 29<sup>th</sup> March 2016.</li> <li>• Adequate HSE measures are being implemented at the site. Records of Toll Box Meetings, safety work permits, monthly safety reports are being maintained at site.</li> <li>• EHS committee has been formed for the project during February 2017 and monthly meetings are conducted to ensure management and mitigation of EHS related aspects.</li> <li>• The discussions during the EHS meetings are related to safety norms, training of staff on fire extinguishers and first aid/CPR during emergency, housekeeping in project premises, work permits, vehicular movement, etc.</li> <li>• Monthly safety reports are generated and records are maintained at the sub-project.</li> <li>• The sub-project has adequate institutional arrangement for EHS.</li> <li>• Fire extinguishers are maintained and are ready to use. This aspect is discussed and checked during EHS meetings.</li> <li>• Water consumption records are kept at the sub-project site.</li> </ul>

		<p>Water is mainly used for module cleaning. Developer has shared annual water consumption at the sub-project.</p> <p>On review of the safeguard information, no environmental issues are identified and the EHS aspects implementation and institutional arrangement for the same is adequate at the sub-project.</p> <p><b>Social Safeguard</b></p> <ul style="list-style-type: none"> <li>• The sub-project have been prepared by the Government of Andhra Pradesh as per the national and state government requirement and not in anticipation to ADB operation;</li> <li>• The project has already received its Commercial Operation Date (COD) on 29<sup>th</sup> March 2016 by Southern Power Distribution Company AP Ltd (APSPDCL). ;</li> <li>• The land leased for the project site is totally private land and sale deed has been executed on a voluntary basis (willing seller-willing buyer basis) from the land owners;</li> <li>• The project do not have any impact on the settlement area and no cultural/religious structures/schools/hospital and community property was affected due to the project;</li> <li>• Land for towers and right of way is not acquired and agricultural activities are allowed to continue;</li> <li>• Three stage compensation is paid to the land owners during excavation, erection and tower stringing;</li> <li>• Crop compensation is being paid to the land owners as per section 164 of The Electricity Act 2003 and Indian Telegraph Act 1885;</li> <li>• There were no grievances related to leased land and compensation reported at the project site;</li> <li>• As informed by the subproject developer, during the site visit, no litigation cases are there ;</li> <li>• No tribal people are affected due to the project;</li> <li>• The project does not involve any diversion of forest land;</li> <li>• Employment opportunities have been given to the local people for various project related activities. During O&amp;M phase twenty numbers of local people are employed as technician, security guards, grass cutting personnel and module cleaning manpower.</li> </ul>
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		The sub-project has been commissioned during March 2016, it can be concluded that there are no social issues are associated with the project.
9.	Did you discuss with the Lead Bank the applicable environmental and social safeguard requirements and their implementation?	No, as IIFCL is a late entrant in project development.
10.	For category A subproject, were safeguards related documents such as EIA, RP and IPP, or audit reports made publicly available, in addition to posting on ADB's website?	Aarohi Solar Private Limited does not fall under category A as per ADB's safeguard requirements.  (If yes, please provide website link and the date the documents were uploaded.)
11.	Were any conditions or covenants related to environmental and social issues made along with the investment?	The compliance to the applicable laws of land is included as a covenant in the loan agreement signed by the lead bank and other consortium members with the Concessionaire.  (If yes, please briefly describe.)
12.	Does the investment comply with applicable government requirements?	Yes
13.	Does the investment comply with applicable DFI safeguard requirements?	Yes

#### ANNEX S-4: RESETTLEMENT SCREENING CHECKLIST

Impact	Not Known	Yes	No	Indication of scope (no. of affected persons, land area, land use, structures, etc.)
Is the prospective subproject company (PPC) undertaking or likely to undertake any land acquisition?		√		The 287 Acres of land has acquired from 35 land owners by execution of sale deed. The land acquired for the project is barren land comprised of hard murrum soil. No structures are affected because of the project.
Is the PPC acquiring land through willing buyer to willing seller transactions?		√		The land has been acquired on a voluntary basis (willing seller-willing buyer) from the land owners by a local aggregator. A third party (land arranger) was appointed by the subproject developer for helping in the process of facilitating the process of land acquisition with the land owners.
Does the PPC have any agreements or is it likely to enter into agreements with the government for provision of sites or land or rights to land?		√		Aarohi Solar Pvt. Ltd. (ASPL) has signed a Power Purchase Agreement (PPA) with Southern Power Distribution Company of Andhra Pradesh Limited (DISCOM).  As per the Indian Telegraph Act 1885, prohibits acquisition of any right other than that use of RoW for erection of Transmission line.
Is any of the land used by the PPC (or likely to be used by the PPC) compulsorily acquired?			√	
Will any PPC activities involve restrictions of use on adjoining land?			√	
Are the sites for land acquisition known?		√		
What is the ownership status of the land?				Ownership status is with the subproject developer ASPL. In case of Transmission line, only RoW has been used by the subproject developer during the excavation, erection and string of Transmission line, no land acquisition is involved. However, the impact on land is temporary and the ownership status of the land remains with the landholder/farmers.

Are non-titled persons present?			√	
Will tenants, lessees, share farmers, or other third party users be affected?			√	
Will there be loss of housing?			√	
Will there be loss of crops, trees, and other fixed assets?		√		<p>The affected land owners have been compensated for use of RoW clearance.</p> <p>Three stage crop compensation is paid to the land owners: At first during tower excavation, then during erection of tower and finally during stringing of the tower.</p>
Will there be loss of incomes and livelihoods?			√	
Will access to facilities, services, or resources be lost?			√	
Will there be loss of businesses or enterprises?			√	
Will any social or economic activities be affected by land use related changes?			√	
<b>If involuntary resettlement impacts are expected: NA</b>				
Are local laws and regulations compatible with DFI's involuntary resettlement policy?			√	
Will land be acquired through the government or by the PPC?			√	
Do PPC agreements with the government (if any) specify involuntary resettlement will be conducted in accordance with international standards?			√	
Does the government executing agency/PPC have sufficient skilled resources for resettlement planning and implementation?			√	
Are training and capacity building required prior to resettlement planning and implementation?			√	

**Note:** The process of land acquisition/RoW use has been initiated before IIFCL's involvement with the project.

## ANNEX S-5: TRIBAL PEOPLES EFFECTS SCREENING CHECKLIST

<b>Impact on Tribal Peoples</b>	<b>Not Known</b>	<b>Yes</b>	<b>No</b>	<b>Remarks or identified problems, if any</b>
Are there tribal groups present in project locations?			√	
Do they maintain distinctive customs or economic activities that may make them vulnerable to hardship?			NA	
Will the subproject restrict their economic and social activity and make them particularly vulnerable in the context of project?			NA	
Will the subproject change their socioeconomic and cultural integrity? <sup>1</sup>			NA	
Will the subproject disrupt their community life?			NA	
Will the subproject positively affect their health, education, livelihood, or social security status?			NA	
Will the subproject negatively affect their health, education, livelihood, or social security status?			NA	
Will the subproject alter or undermine the recognition of their knowledge, preclude customary behaviors, or undermine customary institutions?			NA	
In case there is no disruption of tribal community life as a whole, will there be loss of housing, loss of land, crops, trees, and other fixed assets owned or controlled by individual tribal households?			NA	

<sup>1</sup> That is, undermine their production systems and the maintenance and transmission of their cultural patterns.