1. The Environmental and Social Action Plan

*5.8* The environmental impact assessment (EIA) study was submitted to IDB in December 2013 along with the Integrated Social Management Plan (ISMP). Based on the information presented, a gaps assessment was done and an Environmental and Social Action Plan (ESAP) containing a list of actions and deliverables with a corresponding timeline, was elaborated by the Bank. The Table below presents the content of the ESAP and provides a status update as of December 15, 2014 on the pending actions required to be completed by the Borrowers. The ESAP is a tool for the Bank to track progress of the company in bringing this Project to full compliance with the environmental and social safeguards and applicable policies such as the Indigenous Peoples policy.

**Eolica del Sur - Wind Power Project – ME-L1107. Environmental and Social Action Plan (ESAP)**

**Updated December 15, 2014 2014**

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| **Key items**  | **Actions/Deliverables**  | **Deadline** | **Status/Details** |
| **Social assessment** |
| ***Assessment of social impacts*** The EIA submitted in December 2013 is incomplete in terms of social baseline studies.  | **1.1** Present an addendum document to the ISMP to cover the following items in more depth: * Socio-economic aspects such as employment and income
* Community health conditions
* Local culture
* Vulnerable groups, if any
* Gender dynamics and disparities

**1.2** Provide additional information on Indigenous People and define more clearly potential impacts  |  July 1, 2014 | 1.1 & 1.2 Submitted by EES in June 2014 deemed unsatisfactory by IDB. IDB provided additional guidance to client. Revised by ESS and re-submitted to the IDB on July 14. **Final document deemed satisfactory by IDB on July 15.**  |
| **Social Management System** |
| ***Integrated Social Management Plan***The ISMP is a central tool developed by the company to manage social impacts but the document presented was incomplete. Another key document pending is the Stakeholder Action Plan  | **2.1** Submit a revised version of the ISMP (initially dated December 2013) which must include:* A monitoring framework for the management of social impacts and risks, including clearly defined indicators, monitoring schedules, responsibilities and costs;
* An updated stakeholder engagement strategy, which must include:
1. Stakeholders from the communities of Ixtepec and Ixtaltepec;
2. Vulnerable groups, if any; and
3. A better definition/presentation of the activists and opposition groups.

**2.2** Submit the Stakeholder Action Plan (SAP) | July 1, 2014July 1, 2014OngoingOngoing | 2.1. **Satisfactory,** see above2.2. **Satisfactory.** SAP is thorough and comprehensive**.** |
| ***Organizational capacity***Client needs to demonstrate that there is an adequate staff capacity especially to manage social issues  | **3.1** Maintain a full time presence of the Social Specialist in the field during the entire construction period**3.2** Develop and submit a training program for the social specialist to increase his technical knowledge**3.3** Ensure accessibility to the local offices of Juchitan and El Espinal by maintaining appropriate staff presence  | 3.1 **Ongoing requirement through construction.** Will be validated by IDB during the supervision phase. 3.2 **Satisfactory.** Social specialist attended an World-Bank-IFC 2 weeks training course in July 2014. Training activities for the next two years had been developed by EES and submitted to IDB3.3 **Satisfactory** validated in March 2014 during a field visit by the Bank, will be continued to be verified through supervision. |
| ***Policies***Few key policies are absent  | **4.1** Develop and submit a human resources /code of conduct, policy **4.2** Adopt the Voluntary Principles on Security and Human Rights (VPSHR) as a guiding norm for hiring and deploying private security guards ([www.voluntaryprinciples.org](http://www.voluntaryprinciples.org)**).**   | 4.1 **Satisfactory,** policy submitted. 4.2 **PENDING** (an official letter must be signed by the Borrower and sent to IDB prior to start of construction |
| **Consultation and information disclosure** |
| Public Consultation in Juchitan had not occurred yet Per IDB’s policy, ongoing consultation must occur throughout the life of the project | **5.1** Once consultation in Juchitan has been held by Sener, EES to provide the following information compiled by Sener (or EES if possible): * Number of attendants (by gender)
* Number of land owners
* Number of individuals pertaining to local stakeholders groups
* Documents made available to attendants
* Issues/concerns raised by the attendants and feedback provided

**5.2** Develop and provide program details on ongoing consultation activities with affected landowners  | One week after SENER delivered all information package and minutes Prior start of construction  | 5.1 **PENDING** As mentioned to IDB Project team and to client, this requirement is mandatory prior to present this Project to the Board.5.2 **Satisfactory.** EES presented a robust ongoing consultation program in the ISMP.  |
| **Grievance mechanism** |
| No grievance mechanism was presented | **6.1** Develop and submit a grievance mechanism procedure for potentially affected communities that correspond to best industry practices.**6.2** Present/disseminate the grievance mechanism to potentially affected communities and provide evidence to IDB.  | Prior start of construction | 6.1 **Satisfactory** presented in the revised ISMP and SAP. 6.2 **Satisfactory** According to the ISMP schedule, dissemination will take place in August-September. IDB will validate during supervision phase. |
| **Labor - employment**  |
| In order to avoid any social tensions, equitable treatment between labor unions and landowners in terms of jobs, client must develop a clear strategy to maximize local employment  | **7.1.** Formalize and submit local hiring commitments **7.2** Monthly report that would present the number of people hire by gender and if they are local or external employee´s  | Prior start of construction | 7.1 **Satisfactory** local employment policy, procedure and commitments by EES are described in details in the ISMP. 7.2. **Ongoing requirement through construction**. Will be validated during supervision phase by IDB. |
| **Management of workforce - health and safety**  |
| Health and safety plans are absent from the documents provided and numerous aspects of H&S are not covered | **8.1** Present the Contractor’s health and safety plan**8.2** Incorporate in contractors’ contracts clear regulations and penalties for non- compliance with policies, plans and programs (including mitigation measures) adopted by the company (and present evidence to IDB) **8.3** Develop a specific monitoring program to assess causes of incidents/accidents and track performance of the corrective measures**8.4** Organize training sessions for the workers on health and safety practices specific to the wind industry and provide evidence to IDB (dates of trainings, attendance, and technical areas discussed etc.)**8.5** Ensure that security conditions taken by the company to protect its installation is consistent with good industry practices (Voluntary principles on Security and Human Rights) and national regulations. **8.6** Provide training to security staff (especially on way of doing when interacting with local communities and potentially with groups of activists).**8.7** Develop and submit the Grievance mechanism for workers and, disseminate such mechanism to workers. | Prior start of construction (8.1 -8.2)Throughout construction & operation (8.3 -8.7)  | 8.1 **Satisfactory** the health and safety plan of Vestas was presented to IDB on July 7, plan corresponds to best industry practices.  8.2 **PENDING.** Relevant annexes of the EPC contract will be submitted to IDB by EES. 8.3 & 8.4 **Satisfactory**  Items covered in the Environmental management plan of Vestas and health and safety plan.  8.5 **Ongoing requirement.** Will be validated by IDB during supervision phase.8.6 **Ongoing requirement.** Will be validated by IDB during supervision phase.8.7 **Satisfactory** Dissemination took place in August-September. IDB will validate during supervision phase. |
| **Management of Community health and safety**  |
| A general environmental management plan was presented but specific plans were not developed.  | Submit in substance and form satisfactory to IDB the following plans:* 1. Emergency Response Plan (ERP) (specifically to address flooding risks and uncontrolled fires, extreme weather events)
	2. Community Health and Safety plans to address emergency situations
	3. Traffic management plan

**9.4** Environmental management plans (wastewater / waste / noise emissions /dust, hazardous chemicals, soil conservation, soil restoration)  | Prior start of construction | 9.1 **Satisfactory,** ERP aligned with best industry practices.  9.2 & 9.3 **Satisfactory** adequately covered in the H&S plan of Vestas.  9.4 **Satisfactory,** all items covered by Vestas except the soil conservation and soil restoration/reforestation are covered by EES, plans had been submitted to the Bank and are deemed adequate.  |
| **Land acquisition and compensation**  |
| Land contracts had not been fully negotiated and signed by all affected landowners. Information is unclear about the amount of compensation to be offered for the right of way of the transmission line crossing the ejidos  | **10.1** Demonstrate that all pending land contracts have been signed for both Juchitan and El Espinalpolygons**10.2** Demonstrate that pending land contracts for the transmission line between the two sites (and substations), had been signed **10.3** Provide information on final compensation for the transmission line right of way along the ejido Ixtatelpec and Ixtepec  | Prior to financial close  | 10.1 **Satisfactory,** 100% of land contracts had been signed for the polygons10.2 **PENDING** 10.3. **PENDING.**  |
| **Cultural heritage** |
| Initial archeological assessment done by EES is incomplete, to be acceptable it must cover the entire construction area (including the transmission line up to the CFE interconnection point) | **11.1** Complete the archeological assessment and provide final report of findings **11.2** If cultural/archeological sites are identified, present a protection plan (including a chance-find procedure) **11.3** Disseminate the chance-find procedure to workers and contractors**11.4** Present final clearance from INAH for the two sites | Prior start of construction  | 11.1 to 11.4 **Satisfactory** The staff of the National Institute of Archeology (INAH) had recently completed the fieldwork and final report was sent to IDB. Areas of risk have been clearly identifief by INAH and no turbines will be installed at those places. |
| **Environmental Assessment**  |
| **Assessment of environmental impacts** The baseline studies done for birds and bats is insufficient, important gaps identified.The cumulative impacts are not sufficiently addressed in the EIASee Annex 1- Gaps identified and list of IDB requirements (communicated March 5, 2014 to the company) | **12.1** Increase survey efforts for birds and bats for the Spring migration of 2014 **12.2** Submit results of the spring report to IDB **12.3** Conduct an additional Fall survey in 2014 and submit results to IDB**12.4** Present a betteranalysis on the connectivity and extent of existing vegetation patches within the two sites**12.5** Provide a cumulative impact assessment discussion report (follow guidance already provided by IDB on this matter)   | July 15, 2014 (for 12.1 & 12.2)12.3 January 31, 201512.4 July 1, 201412.5 Prior to financial close  | 12.1 **Satisfactory** additional survey was done in the Spring 201412.2 **Satisfactory,** Report received July 21, 201412.3 **On track. PENDING.** EES agreed to hire birds and bats specialists recommended by IDB to conduct the fall survey. Final report is pending. 12.4 & 12.5 **Satisfactory,** a cumulative impact assessment study was presented in June 2014 |
| **Environmental Management System**  |
|  | **13.1** Implement an environmental management system (EMS) **13.2** Submit an air quality management plan **13.3** Submit Noise management plan\*see also all items listed under 9.1 to 9.5 | Prior start of construction | 13.1 & 13.2 **Satisfactory**, Covered in the EMP of Vestas, aligned with ISO 14 0001. 13.3 **Satisfactory** covered in the EHS plan of Vestas |
| **Organizational capacity**  | **14.1** Establish an Environmental Team comprising qualified specialists to prevent and manage potential impacts and supervise and monitor mitigation measures of the various conservation plans ***\*The client shall present an organigram of the current staff (positions and responsibilities)*** | Prior start of construction | 14.1 **Satisfactory** **ongoing requirement.** Covered in the ISMP, SAP and Environmental management plan of Vestas. Will be validated on an ongoing basis by IDB during supervision.  |
| **Biodiversity conservation** |
| **Shutdown protocol and mitigation measures for birds and bats**  | **15.1** EES will implement the Shutdown protocol and mitigation measures for bird and bats developed by IDB. The protocol and measures will be effective at the start of operation.  | July 1 2014 | IDB had provided this protocol to EES on July 2, 2014.Final version agreed by EES in August 2014. |
| **Post construction monitoring protocol of birds/bats fatalities**  | **15.2** A post construction monitoring protocol of birds and bats fatalities will be implemented for a period of at least 3 years following the start of operation, the protocol will follow guidance of IDB.  \*If according to the results there are technical reasons to extend this period, the IDB may extent the initial duration | At the start of operation | IDB had developed and presented this protocol to EES on July 2, 2014. Final version agreed by EES in August 2014 |