

Environmental and Social Review Summary

Tobene Power Plant

This Environmental and Social Review Summary (ESRS) is prepared by MIGA staff and disclosed prior to the date on which MIGA's Board of Directors considers the proposed issuance of a Contract of Guarantee. Its purpose is to enhance the transparency of MIGA's activities. This document should not be construed as presuming the outcome of the decision by MIGA's Board of Directors. Board dates are estimates only.

Any documentation that is attached to this ESRS has been prepared by the project sponsor, and authorization has been given for public release. MIGA has reviewed the attached documentation as provided by the applicant, and considers it of adequate quality to be released to the public, but does not endorse the content.

Country:	Senegal
Sector:	Energy
Project Enterprise:	Tobene Power Plant
Environmental Category:	B
Date ESRS Disclosed:	November 8, 2018
Status:	Due Diligence

A. Project Description

Actis Energy and Amaya Capital, through Azura Power Holding Limited (“Azura Power” or “the Guarantee Holder”) plan to acquire three operating power assets specifically: Tobene and Kounoune Plants in Senegal; and Thika Power Plant in Kenya. All three assets are currently owned by Melec Powergen Inc (“MPG”), which was established in 2005 as a power generation platform in sub-Saharan Africa. Separate ESRS’ are being prepared for each asset. The “Project” or “Power Plant” considered in this ESRS comprises Tobene Power Plant. The Project is an operating combined cycle heavy fuel oil (HFO) plant with a total capacity of 115MW located in Taiba Ndiaye, approximately 90km north east of Dakar. The Project was constructed in two phases. Phase I comprised the construction of a 96 MW installed capacity diesel combined cycle (DCC) plant in November 2014 and the commercial operations date (COD) was reached in March 2016 for 70 MW guaranteed capacity. The capacity of the Power Plant increased to 92 MW in May 2016 after commissioning of a fifth engine, and to 96 MW after commissioning of the steam engine in August 2016. Phase II of the Project comprised of construction to increase the Power Plant’s capacity to 115 MW (105 MW guaranteed) and commenced in November 2015. Phase II was completed in December 2016 and comprises of six diesel reciprocating engines and one steam turbine. MAN Diesel and Turbo provide Maintenance & Advisory Services as well as Spare Parts of the Project, with the operations and support provided by local staff contracted by MPG.

The Project was developed on a build own operate (BOO) basis and sells power to the national electricity company of Senegal (the Société Nationale d’électricité du Sénégal or Senelec) under a 20-year power purchase agreement (PPA) that was signed in 2011. A Senelec substation is located to the southwest of the site. The Power Plant was built to address power shortages and to replace expensive emergency power generation. Apart from coal, HFO is the only source of fuel available in country as base load and there is provision for future conversion of the Project to operate on natural gas, once it is available in the country.

The land acquisition process was managed by Senelec in 2011, as part of the acquisition of a total area of 50 hectares (ha) that was earmarked for the development of power infrastructure. The land acquisition fell under the national domain category thereby allowing expropriation to take place for public utility services. Senelec's acquisition of the 50ha resulted in the economic displacement and compensation of 140 people engaged in agricultural activities (mainly fruits trees, manioc, peanuts, beans and millet). Land for the Project site (4.5 ha) was then purchased from Senelec in 2014.

The Project has been supported by two International Finance Corporation (IFC) loans, the first (for Phase 1) was approved by the Board in 2013, and the second (for Phase 2) was approved by the Board in July 2017. The World Bank also provided a Partial Risk Guarantee (PRG) secured to guarantee the Letter of Credit issued by the off-taker as a security for on-going PPA payments to the Project. Other Development Finance Institutions (DFIs) involved in the Project include the West African Development Bank, Netherlands Development Finance Company and Emerging Africa Infrastructure Fund. Azura Power is an experienced developer, financier, acquirer and operator of independent power producers (IPPs) that focuses on base-load power plants across Africa, and as well as renewable power projects in Nigeria.

B. Environmental and Social Categorization

The Project is categorized as an B under MIGA's Policy on Environmental and Social Sustainability (2013), which is consistent with IFC's categorization of the Project. The most significant potential E&S risks are related to: (i) livelihood restoration; (ii) emergency preparedness and response; (iii) air emissions (including greenhouse gases); (iv) water supply and effluent discharge; and (v) hazardous materials management.

C. Applicable Standards

While all Performance Standards (PSs) are applicable to this Project, based on our current information indicates that the Project will have impacts which must be managed in a manner consistent with the following Performance Standards:

- PS1: Assessment and Management of Environmental and Social Risks and Impacts
- PS2: Labor and Working Conditions
- PS3: Resource Efficiency and Pollution Prevention
- PS4: Community Health, Safety and Security
- PS5: Land Acquisition and Involuntary Resettlement

As the Project is an operating asset, and no expansion or further land clearance is required, PS6 (Biodiversity Conservation and Sustainable Management of Living Natural Resource) and PS8 (Cultural Heritage) are not triggered for the operations phase. The Project was constructed on land that was heavily modified by agricultural activities and thus did not have significant impact related on biodiversity, thus PS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources also did not apply to the construction phase. The Environmental and Social

Impact Assessment (ESIA) studies and associated stakeholder engagement processes conducted for this Project did not identify any impacts on cultural heritage, therefore PS8 Cultural Heritage did not apply to the construction phase; however, a Chance Finds Procedure was implemented during construction.

There is no indication or evidence of indigenous people residing in or having cultural ties to the Project area, thus PS7 Indigenous Peoples do not apply.

In addition to the PSs, the World Bank Group (WBG) Environmental, Health and Safety (EHS) General Guidelines and Guidelines for Thermal Power Plants apply to this Project.

D. Key Documents and Scope of MIGA Review

The following documents were reviewed by MIGA:

- EBS Advisory, Environmental and Social Due Diligence: MPG Power Project, June 2018.
- Melec Powergen Inc (Matelec Group): Tobene Power Annual Monitoring Report for the Periods Ending December 2015, 2016 2017
- ERM: *Tobene Power SA Etude d'impact environnemental et social du projet de centrale thermique de Tobène/Taïba Ndiaye*, June 2013
- Tobene Expansion ESIA (undated)
- Environmental and Social Action Plan (ESAP), Project Tobene Phase 2

A due diligence site visit was undertaken in October 2018 and comprised of a visit to the Project area, as well as meetings with Azura Power, Project staff, representatives of project affected persons and *Direction de l'Environnement et des Etablissements Classés* (DEEC).

E. Key Issues and Mitigation

MIGA's due diligence review considered the environmental and social management planning process and documentation for the Project, and identified gaps, if any, between these and MIGA's requirements. Where necessary, corrective measures, intended to close these gaps within a reasonable period, are summarized in the paragraphs that follow and in the Environmental and Social Action Plan (ESAP) attached to this ESRS. Through the implementation of these measures, the Project is expected to be designed and operated in accordance with Performance Standards objectives. IFC monitoring indicates that the Project is largely in compliance with the IFC / MIGA PSs. Through implementation of ESAP actions, the Project is expected to continue to operate in accordance with PS objectives

PS1: Assessment and Management of Environmental and Social Risks and Impacts

Environmental and Social Assessment:

An Environmental and Social Impact Assessment (ESIA) for Phase I of the Project was prepared to local requirements and IFC PSs. The ESIA was submitted to the *Ministère l'environnement et du Développement Durable* (Ministry of Environment and Sustainable Development), DEEC in

June 2013, the final confirmation certificate was received in December 2016. An ESIA for Phase II of the Project was carried out in 2016 and approved in July 2017. As part of the Phase II ESIA, an Environmental and Social Action Plan (ESAP) was developed to address the gaps identified with the Phase I ESIA.”

More recently, an Environmental and Social Due Diligence (ESDD) study was carried out in June 2018 by an independent consultant as part of the Investor Group’s¹ appraisal of the Project. The ESDD Report evaluated the Project’s risks and impacts against the IFC PSs, identified gaps and recommended corrective actions to address the gaps. The ESDD also considered the implications of the potential conversion of the Power Plant from HFO to gas. MIGA reviewed progress against the corrective actions identified in the Investor Group’s ESDD and the Phase II ESAP as part of the due diligence. Appropriate corrective actions and mitigation measures are recommended in line with MIGA’s requirements.

The ESIA, Lenders’ ESDD, corrective actions and Project ESAP provide a comprehensive review of the potential risks and impacts of the Project (construction, operation and decommissioning phases), and appropriate mitigation measures are recommended in line with MIGA’s requirements.

Management Program and Monitoring

The Project has developed and implements an Environmental Management Systems (EMS) structured as per the requirements of International Organization for Standardization (ISO) 14001:2004. The EMS was based on the Environmental and Social Management Plan (ESMP) developed as part of the Project ESIA Reports. The EMS: (i) includes the Project’s Health and Safety Policy; (ii) identifies environmental and social aspects and impacts relevant to the Project; (iii) provides an overview of the environmental procedures to ensure compliance with the Project’s environmental and social obligations; (iv) includes auditing requirements and reporting requirements; and (v) roles and responsibilities for the EHS staff. The EMS also includes procedures for risk identification/assessment, emergency response, waste management, various safe work procedures, as well as monitoring of air emissions, air quality and noise.

As part of the Phase II ESIA, the Project committed to develop and implement an Environmental and Social Management System, (ESMS) in line with IFC PS 1 requirements. As indicated in the Lenders ESDD Report, the ESMS documents are in draft form. The Project will therefore finalize the ESMS, ensuring that it aligns to Azura Power policies and provide records of implementation in the Annual Monitoring Report (AMR) (ESAP action item # 1). As part of the ESMS, the Project will also develop a policy statement that address environmental and social objectives and principles in line with PS1 (ESAP action item # 1).

Organizational Capacity and Training

At the corporate level, Azura Power has appointed a Head of Environmental and Social Governance (ESG) who’s main responsibilities include: (i) the development, implementation and monitoring of ESG related strategies, policies, procedures and budgets; (ii) leading on the ESG due diligence work-streams of potential projects being reviewed by Azura Power to ensure consideration of

¹ The Investor Group is comprised of Azura Power, IFC, Africa50 Project Finance and their associated partners

appropriate risks and opportunities and compliance international best practices as required; (iii) setting up and leading ESG committees and making recommendation on all key ESG issues to the Board; (iv) timely and accurate reporting on ESG matters to relevant stakeholders; (v) ensuring that processes are in place to maintain high business integrity standards across all ESG related functions, for example, grievance mechanisms and community liaison for all projects.

The Project also appointed a suitably qualified Quality, Safety Health and Environment (QSHE) Manager in January 2016, whose main roles and responsibilities are related to the supervision and implementation of safety, health and environmental issues within the Power Plant. The QSHE Manager is supported by a Human Resources (HR) Officer that assists with the social management aspects including liaison with the local community and Project Affected Persons (PAPs).

In addition, a Health and Safety Committee was formed in line with national legislation, that monitors health and safety aspects throughout the lifecycle of the projects and oversees: (i) accident monitoring, specifically root cause analysis; and (ii) health, safety and environment risk assessment.

In 2017, 44 toolbox talks were conducted by the QSHE Officer and a local consultant provided additional health and safety training to the Project staff, which included the following topics: risk analysis and job hazard assessments (JHAs); lock out tag out (LOTO) procedures; working in confined space; and working at height.

Emergency Preparedness and Response

Article L56 of the Law of the National Environment Code requires the development and implementation of an Internal Operations Plan (POI) that includes procedures for alerting relevant authorities and neighboring communities in the event of an emergency incident, evacuating personnel and determining the causes of an incident. The Project has prepared a POI which is still in draft and will therefore finalize and implement it, in line with PS 1 requirements for emergency preparedness and response (ESAP action item # 2). Training records show that Project staff (including new staff) receive training on emergency response measures, including first aid and the use of fire extinguishers. The Project also has an advanced fire water system implemented on site, which includes a fire foam injection system. In 2017, the Power Plant collaborated with the national firefighting brigade and neighboring communities to simulate an emergency drill. In the future, these fire drills will be carried out annually.

Reporting

The Project appointed an external environmental consultant to monitor and review the implementation of the ESMP on a monthly basis during construction and initial operations. The consultant reports provide a comprehensive review of compliance with the ESMP, as well as monitoring of various environmental parameters and occupational health and safety (OHS) issues. The Project also compiles and submits: (i) annual E&S monitoring reports to DEEC in line with the ESMP; and (ii) AMRs to the IFC. The Project will be required to provide MIGA with copies of the monitoring reports and AMR.

Stakeholder Engagement

Stakeholder engagement was undertaken as part of the Project's ESIA processes and currently, engagement with the community is handled by the Project's HR Officer. A public meeting was held in August 2017 with approximately 100 community members to discuss any grievances and concerns the community have. Records indicate that historical grievances appear to be based on unrealized expectations of employment and community benefits, as well as inadequate continual engagement with the local communities. The public meeting therefore resulted in the formation of a grievance committee comprised of representatives from the Project, local residents and community leaders. The grievance committee held its first meeting and conducted a tour of the Project in December 2017 and the last meeting was held in February 2018. The grievance committee plans to meet on an ad-hoc basis (as requested by the local community to discuss any grievances or requests raised by the community. Minutes of the meetings will be included in the AMR (ESAP action item #3). The Project has also established a website (<http://www.tobenepower.com/>) where copies of the ESIA reports can be downloaded. The Project has developed and plans to implement a Stakeholder Engagement Plan (SEP) in line with PS 1 requirements (ESAP action item #4).

PS2: Labor and Working Conditions

The Project has a total of permanent workforce of 61 direct employees (56 male and 5 female), as well as 16 sub-contracted workers (including security personnel) and two interns.

Human Resource Policy and Procedures:

The Project has developed and implements Human Resources (HR) policies and procedures, which are found in the Employee Handbook. The Policy and Procedures are in line with the National Labor Code as well as the requirements of PS2. The Handbook is provided to new employees during induction. The Project, through its Code of Conduct, commits to providing equal opportunities to all staff.

Employee Grievance Mechanism

The Project's Code of Conduct sets out grievance and disciplinary procedures, in line with PS2. A grievance committee has also been established and meets on a quarterly basis to discuss any potential grievances. No workplace grievances were recorded in 2016 and 2017.

Retrenchment Plan

In the event of any retrenchment, the Project will develop and implement a Retrenchment Plan in line with PS 2 requirements, in consultation with workers, their organization and if appropriate, the Government (ESAP action item # 5).

Occupational Health and Safety (OHS)

The Project has developed and implements a Health and Safety Manual that sets out basic OHS and emergency response procedures to be implemented during operations at the site. The Manual also includes general safety rules, as well as precautions to be taken to ensure safe use of vehicles and machinery on site, fire prevention, personal safety and first aid procedures. OHS training requirements and roles and responsibilities are defined, including the responsibility of

subcontractors and suppliers with regard to the health and safety of their employees while working on site. A JHA procedure is also in place. Firefighting and first aid training was carried out with specialized companies for the entire plant personnel and this process shall continue throughout the project period.

Since the start of the Project, two fatalities occurred at the site during the construction phase, one in 2015 and one in 2016, both involving sub-contractors. Following these incidents, corrective actions were implemented to address the failures in the OHS management system and prevent future recurrences of the incidents. OHS data for 2017 shows four lost-time injuries (and two in 2016), resulting from minor injuries, specifically bruises or injuries to hands and feet and related to handling of tools/equipment. A medical technician is available on-site daily to address any accidents/medical issues. In addition, the Project has also engaged an operational physician who is present on site twice per week and is responsible for annual check-ups for the workers. The Project will also ensure that all workers are provided with appropriate Personal Protective Equipment (PPE), including hearing protection in the engine room at all times (ESAP action item #6).

Workers' Organizations

The Project's Employee Handbook and sample employment contracts refer to national collective agreements (specifically the National Interprofessional Collective Agreement, 1982, and the National Collective Agreement for Construction and Public Works Companies, 1956). The Project therefore has employee representatives, including a union representative, and dedicated training on the role and responsibilities of employee representatives was provided by a Labor Inspector in July 2017.

Supply Chain

While the Project will not employ workers under 18 years of age, the potential for child and forced labor in the supply chain will also be monitored and contracts with sub-contractors and suppliers will include Environmental Health and Safety (EHS) requirements and provisions consistent with PS2 to address labor issues including child and forced labor (ESAP action item #7).

PS3: Resource Efficiency and Pollution Prevention

Greenhouse Gases

As per PS3 requirements, the Project has been quantifying the direct and indirect emissions and thereafter reporting on CO₂ emissions annually in the AMR. The Project reported an average thermal efficiency of 44.77% (Net, LHV) and total carbon emissions of 265,076 metric tons of CO₂ equivalent (tCO₂eq) in 2017. This is approximately 4% of the CO₂eq emissions from fuel combustion recorded for Senegal in 2015 (less than 0.9% of total emissions recorded for 2014), and lower than the annual emissions indicated in the Project ESIA, which predicted annual emissions amounting to 580,000 tCO₂eq based on an installed capacity of 115 MW. Calculations conducted as part of the Investors ESDD, estimate annual emissions more in line with that of the ESIA, at 488,046 tCO₂eq based on 70% capacity (or 697,208 t CO₂eq at 100% capacity).

Water Resource Use

Water for the Project is tracked daily and indicates an average daily consumption of 150-155 m³. The water is sourced from the existing municipality water supply line that also supplies the local villages. A closed-circuit cooling water system was designed for the Power Plant, in line with the WBG EHS Guidelines for Thermal Power Plants.

Air Emissions

Monthly stack emissions testing and ambient air quality monitoring at the Project is undertaken by an external contractor. A range of parameters are tested during monthly stack emissions testing, including Sulphur Dioxide (SO₂) and Nitrogen Dioxide (NO_x). Average stack emission data reported in the 2016 and 2017 AMRs show values below national standards and WBG guidelines.

Ambient air quality monitoring takes place at five locations in the area around the Project that were identified in the Phase I ESIA. Measurements of SO₂ and NO_x are taken, and monitoring data provided shows values well below the maximum national standards and WBG guidelines, with the exception October 2016 – March 2017, when SO₂ measurements at three of the monitoring locations exceeded the standards. The Project appointed external consultants to conduct a Cumulative Air Quality Impact Assessment Study. The Study indicated that the Project could not have been the sole contributor to these elevated levels, but a definitive cause/source could not be identified.

Wastewater and Effluent

The Project has a storm water system to collect rainwater that discharges to a small retention pond outside the perimeter wall, located in the buffer zone to the north of the Project site. Although some results reported show occasional exceedances of the limit values for total suspended solids (TSS) and pH, no exceedance of the relevant oil and grease (total hydrocarbons) standards have been reported. The pond is fenced off and secured to prevent unauthorized access. Water quality of the treated effluent and the storm water retention pond are tested and the Project reports effluent quality results in both the AMR and the annual E&S monitoring reports submitted to the DEEC. Liquid waste (effluent) is collected by a licensed company and is approximately 18 m³ per month.

Noise

While noise monitoring at the Tobene plant focuses on monitoring of occupational noise, ambient noise levels in nearby communities were measured by external consultants in May 2017 (daytime only) and in December 2017 (day and night). Noise levels at the monitoring locations are well below national and WBG residential areas daytime noise standards. The night-time noise measurement in the nearest community (Keur Malle) exceeded the night-time standards, but this was attributed to vehicle noise and the timing of the measurement (early evening).

Waste

The Project's draft ESMS includes procedures for the segregation, handling and ultimate disposal of hazardous and non-hazardous waste. To date, waste management has been undertaken as per the Project ESMP. Monthly volumes for both hazardous and non-hazardous are reported in the annual E&S monitoring reports submitted to DEEC. Non-hazardous waste is removed by a licensed service provider on a weekly basis and disposed of at a municipal landfill. Hazardous waste is collected by a specialist and licensed contractor. While Senegal does not have hazardous waste disposal facilities, the service provider sells the oil sludge waste to a cement manufacturer that uses the sludge to fire their kilns.

Hazardous Materials

The draft ESMS has a Hazardous Waste Management procedure that includes: (i) protocols for the collection, storage and handling of various hazardous waste streams from the plant, including oily waste, chemical waste, sludge, as well as other types such as batteries, used lubricating oils, etc.; and (ii) includes procedures for the management of the fuel unloading area and monitoring of hazardous substance storage practices. The Project will implement the protocols and procedures provided in the draft ESMS.

Corrosive substances are currently stored in a container on-site, which does not provide bunding in the event of spills/leaks. In order to prevent contaminated runoff from entering the environment via the storm water detention pond, the Project will ensure that the storage of all hazardous materials has appropriate secondary containment (ESAP action item #8)

PS4: Community Health, Safety and Security

Currently there are several small villages near the Project site, and the closest residences are located about 500m southwest of the site boundary. The nearest town to the Project is Tivaouane, approximately 8 kilometers (km) to the south east. Traffic risks posed by the plant's activities to local communities are considered limited, as vehicles, including fuel (HFO and diesel) delivery trucks, access the site via the Tivaouane-Mboro road and an access road separate from that used to access the local villages. During peak period, the fuel trucks are a maximum of 120 trucks per week. Fuel is delivered to the site by a service provider that implements an HSSE (health, safety, security and environment) policy and various safety and security measures to ensure the safety of their drivers, as well as their safe use of the public road system. There has not been a recorded accident involving the service provider's vehicles/drivers in the last three years. The Project's draft ESMS includes a Traffic Control Management Plan (TCMP) that requires the development of a Travel Management Plan for journeys of more than 25 km and requires pre-use vehicle inspection forms to be completed. The TCMP included in the Project's draft ESMS should be finalized and implemented (ESAP action item #9).

Security Personnel

A Security Plan in line with PS4 will be developed. Security will be provided in a manner that does not jeopardize the community's safety or the Security Provider(s) relationship with the community

and that is consistent with national requirements. The Security Provider(s) will ensure that security personnel have not been involved in past abuses and are adequately trained (ESAP action item #10).

PS5: Land Acquisition and Involuntary Resettlement

As mentioned previously, the 50ha acquired by Senelec in 2011 fell under the national domain category, thereby allowing expropriation to take place for public utility services. The land acquisition by Senelec took place prior to IFC and the Project Enterprise's involvement and resulted in the economic displacement of 140 people and the removal of four dwellings, still at the construction stage (foundation level). There were no people physically residing on the acquired land.

A special Government Committee (*“Arrêté portant création de la Commission Administrative d'Evaluation des Impenses dans le cadre de l'extension de la centrale de Tobène - Taïba Ndiaye”*) was put in place in August 2011 to work on the land acquisition process and evaluate compensation amounts. The Committee in consultation with the PAPs reviewed the official compensation scale (dated 1994) to bring it in line with the market price. Full compensation was paid out in 2012 and covered loss of crops, temporary loss of income and infrastructure (dwelling foundations). Alternative land and monetary compensation was also provided to the PAPs who had begun to construct dwellings on the property. In addition, compensation corresponding to approximately 8 months of minimum agricultural wage was awarded as compensation for the temporary loss of income due to loss of land for all the PAPs.

Following the award of the BOO contract, the Project purchased 4.5 ha from Senelec. During IFC's appraisal in February 2013, it was observed that agricultural activities were still ongoing at the Project site despite the PAPs having received compensation and alternative agricultural land still available within the community. As recommended in the Phase I ESIA, the Project informed the community of the anticipated start of construction to ensure that all farmers harvest their crops prior to land clearance activities and cease all activities on the land. As the Project resulted in the loss of pedestrian access used by the community, the Project committed to constructing a new path around the site to ensure continued unrestricted movement for the community.

Article L13 of the National Environment Code Law, states an operating permit/license may only be granted for a Class 1 installation (such as the Project), if it is located 500 meters from “dwellings, buildings habitually occupied by third parties, establishments open to the public and areas intended for use by housing, a water course, a lake, a communication line, a water catchment”. Therefore, in 2013, additional compensation was paid out by Senelec to another group of local community members, in compensation for economic displacement from (and to ensure the establishment of) the 500-m buffer zone. The process again followed the compensation procedures provided for in national legislation. The Project then took additional steps to ensure the continued observation of the buffer zone, including: (i) physically demarcating the buffer zone limit; and (ii) obtaining a written undertaking from the local rural council that no plots for residential use would be allocated within the buffer zone. However, as agricultural activities are allowed within the buffer zone, the local community continues to use the buffer zone to grow and harvest mangoes

More recently, two additional studies were carried out at the request of the IFC, as follows: (a) a social baseline study to identify and map activities within the buffer zone in 2017; and (b) a Livelihood Restoration Plan (LRP) for the 18 PAPs who were displaced from the Project's 4.5ha through the Senelec land acquisition process, in line with PS5, which is currently ongoing. The baseline study was finalized and an initial draft of the LRP has been prepared and submitted to IFC (and will be shared with MIGA) for review and comments. After IFC/MIGA review, the draft LRP will be finalized and implemented (ESAP action item #11). As consultation on the LRP may have as raised expectations of compensation among the local community, additional community engagement will be carried out to manage community expectations (ESAP action item #12). The Project will: (i) monitor and evaluate the implementation of the LRP (ESAP action item #13); and (ii) engage competent experts to undertake a completion audit of the LRP, in line with PS5 requirements (ESAP action item #14).

F. Environmental Permitting Process and Community Engagement

Both phases of the Project have obtained all permits and compliance certificates required to operate. The DEEC formally approved the ESIA Reports for Phase I of the Project in December 2016, and the ESIA for Phase II of the Project was approved in July 2017. Communities were engaged throughout the ESIA process for both phases of the Project. Since the ESIA, the Project continues to actively engage with the local community on an ongoing basis, including the provision of grievance books in the nearby villages; to date, no complaints or concerns have been received. The Project plans to continue and improve on the stakeholder engagement process.

MIGA supports its clients (as defined in MIGA Policy on Environmental and Social Sustainability) in addressing environmental and social issues arising from their business activities by requiring them to set up and administer appropriate grievance mechanisms and/or procedures to address complaints from Affected Communities.

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

Independent of MIGA management and reporting directly to the World Bank Group President, the CAO works to resolve complaints using a flexible, problem-solving approach through its dispute resolution arm and oversees project-level audits of MIGA's environmental and social performance through its compliance arm.

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

*Compliance Advisor/Ombudsman
International Finance Corporation
2121 Pennsylvania Avenue NW
Room F11K-232
Washington, DC 20433 USA
Tel: 1 202 458 1973
Fax: 1 202 522 7400
E-mail: cao-compliance@ifc.org*

G. Availability of Documentation

- ERM: *Tobene Power SA Etude d'impact environnemental et social du projet de centrale thermique de Tobène/Taïba Ndiaye*, June 2013
- Tobene Expansion ESIA (undated)
- Environmental and Social Action Plan (ESAP), Project Tobene Phase 2

The above listed documentation is available electronically as PDF attachments to this ESRS at www.miga.org. It is also available for viewing at the Tobene Power Plant.