

Social Safeguards Compliance Audit Report

Project Number: 48325-001
September 2014

PHI: 150-Megawatt Burgos Wind Farm Project (Philippines)

Prepared by EDC Burgos Wind Power Corporation for EDC Burgos Wind Power Corporation and the Asian Development Bank.

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BURGOS WIND PROJECT
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I. INTRODUCTION

A. Project Description

1. Background

1. The Burgos Wind Farm is located in the Municipality of Burgos in the Province of Ilocos Norte, which is located approximately 500 kilometers north of Manila, or approximately 50 kilometers north of Laoag City, the Provincial Capital of Ilocos Norte. While the project area covers 1,296 hectares, when constructed the wind farm and its substation will be located within an area of approximately 618 hectares which is largely unpopulated and undeveloped. The transmission line route traverses 29 barangays located within the Municipalities of Burgos, Pasuquin, and Bacarra, and the City of Laoag, Ilocos Norte.

2. Project Proponent

2. EDC Burgos Wind Power Corporation ("EBWPC" or the "Company"), is an indirect wholly-owned subsidiary of the Energy Development Corporation ("EDC"). It was incorporated on 13 April 2010 to develop, construct, operate, and maintain a 150 MW grid-connected wind power plant located in Barangays Saoit, Nagsurot and Poblacion, in the Municipality of Burgos, Province of Ilocos Norte, Philippines and a 42-km 115 kv transmission line traversing the Municipalities of Burgos, Pasuquin, and Bacarra, and the City of Laoag.
3. EDC is formerly the PNOC-Energy Development Corporation. It is the largest geothermal energy producer in the Philippines and the second largest integrated steam and geothermal power producer in the world. The single largest shareholder of EDC is First Gen Corporation, through its wholly-owned subsidiaries. First Gen is one of the largest independent power producers in the country. Incorporated in December 1998, First Gen is the primary holding company for the power generation and energy related business of the Lopez Group (First Philippine Holdings). First Gen has a total installed capacity of 2,763 MW, and based on data from the Energy Regulatory Commission, the company accounted for 17% of the country's total installed power generation capacity.

3. Project benefits

4. In September 2009, EDC entered into a wind energy service contract (WESC) with the Department of Energy (DoE) for the development of the Burgos Wind Project. Under the WESC, EDC was granted the exclusive right to explore, develop, and utilize wind energy resources in a 1,296 hectare contract area in Burgos to generate and transmit power. In May 2010, EDC assigned its rights and obligations under the WESC to EBWPC. The DoE approved said assignment in February 2011.
5. *The Project addresses 1.5% of the projected demand growth for electricity in the Philippines' Luzon Grid.* The 2012–2030 Philippine Energy Plan of the DoE shows that the energy demand in the country is expected to grow with the Philippine economy. With electricity demand expected to grow at 4.8 percent per annum, an additional 10,500 MW of new capacity is needed in the Luzon grid onwards to 2030. Of the 10,500 MW, 600 MW is needed by 2016 to meet the forecasted demand. The Project is expected to contribute up to 165 MW to the grid by 2015.
6. *The Project promotes fuel diversification and improves fuel security and sufficiency.* The Luzon grid accounts for approximately 75% of the total electricity consumption in the Philippines. In 2008, out of the 60,821 GWh of electricity generated in the Philippines, the Luzon grid carried a total of 44,200GWh. Of this figure, 31% was contributed by coal plants and four percent was contributed by oil-fired plants. The Philippines imports over 75% of its total coal consumption and almost all of its oil consumption. In terms of dependable generating capacity, the Philippines greatly depended on imported fuels for its power generation. Out of the Luzon grid's total installed capacity of 10,664 MW, 5,085 MW or 48% run on imported fuels wherein 3,657 MW and 2,866 MW are coal and oil fired plants, respectively. The electricity generated by the Project is expected to offset the power generated by coal and oil-fired power plants in the Luzon grid. Since the

Project harnesses wind to generate power the Project is further expected to promote Philippine fuel security and help reduce the country's dependence on imported fuel.

7. The Project supports the regulatory framework that grants financial benefits to the host communities. The Renewable Energy Act 1 establishes the regulatory framework for the exploration, development, utilization, and commercialization of renewable energy sources. For wind energy, the law provides for a one percent royalty fee based on Gross Income which the developer is required to remit to the Philippine government. As prescribed in the Local Government Code (RA 7160), forty percent of the royalty fee shall be distributed to the local government units (LGUs) which will be allocated as follows: province: 20%, municipality: 45%, and barangay 35%. Further financial benefits will be provided to the host communities through the Energy Regulation No. 1-94 as mandated by Rule 29 of the Implementing Rules and Regulations of the Republic Act No. 9136 or otherwise known as the Electric Power Industry Reform Act of 2001. Under Rule 29, a generation company shall set aside one centavo per kilowatt-hour (PHP0.01/kWh) of the total electricity sales as financial benefit of the host communities of the generation facility. The amount collected shall be allocated as follows: electrification fund: 50%, development and livelihood fund: 25%, reforestation, watershed management, health and/or environment enhancement fund 25%. These payments are expected to continue throughout the operating life of the Project. The funds will be made available to the community through the required allocations between the barangay, municipal, and provincial LGUs, as set out by the DOE.
8. *The Project benefits from the establishment of a Feed-In Tariff System.* The proposed Philippine Feed-in Tariff System (FiT) is patterned after other successful international schemes. It guarantees the purchase of all output from FiT-eligible technology such as wind at a FiT rate for a period of at least 15 years. Below are some specific features of the scheme that are aimed at improving the financial viability of wind farms while reducing project risks: (i) priority connections to the grid for electricity generated from emerging renewable resources such as wind; (ii) the priority purchase, transmission of, and payment for such electricity by the grid system operator. This eliminates the need to sign individual off-take agreement with provincial electric cooperatives and distribution utilities; and (iii) a cost sharing mechanism that will allow additional cost of the FiT to be recovered equally from all consumers connected to the transmission and distribution grids. The scheme is therefore more robust since it does not rely on any government budget allocations for it to be successfully implemented.

B. Purpose of the social safeguards compliance audit

9. An Environmental and Social Impact Assessment (ESIA) was conducted² by EBWPC consistent with the International Finance Corporation (IFC) Performance Standards and its guidance notes, which include conformance to the host country's environmental assessment laws and regulations (i.e. the Philippine Environmental Impact Statement System and its Implementing Rules and Regulations). The Environmental Compliance Certificate (ECC), in compliance with national requirements, has been issued to the 165 MW project in July 2013.
10. In line with requirements for ADB-assisted projects, EBWPC (the Borrower) will be required to comply with applicable ADB Safeguard Policies to address social impacts associated with project development and implementation. Accordingly, an independent social compliance audit, including an on-site assessment, to identify past or present concerns related to impacts on involuntary resettlement and indigenous peoples was carried out. The audit has been carried out³ with an

¹The Renewable Energy Act of 2008 (Republic Act No. 9513) seeks to establish the framework for the accelerated development and advancement of renewable energy resources, and the development of a strategic program to increase its utilization.

²The environmental impact assessment (EIA) of the Burgos Wind Project started as early as year 2000 when the project was conceptualized as the Northern Luzon Wind Power Project. Several EIA reports were submitted to the Environmental Management Bureau (EMB) Region 1 for the application of the ECC from year 2000 to 2013 due to amendments on project development plans as a result of evolving design concepts.

³Parsons Brinckerhoff conducted the Environment and Social Due Diligence for the Project.

objective to determine whether the actions by EBWPC are in accordance with ADB's SPS principles and requirements, and to identify and plan appropriate mitigation/compensation measures. The audit report includes an action plan to address the recommended measures to achieve ADB Safeguard Policy Statement (SPS) requirements.

11. **Involuntary Resettlement (IR) Safeguards:** All lands required for the Project has been secured by the borrower in early 2014 and EBWPC has the complete possession of 100% of the land required for the wind farm and the transmission lines. EBWPC's land rights acquisition strategy⁴ for the project avoids acquisition of title and the lease agreements or expropriation is carried out for possession rights during the project period. An audit to assess whether the processes followed with respect to land acquisition and resettlement were in compliance to the national requirements and the requirements of the ADB Safeguard Requirements (SR) 2 on involuntary resettlement. The audit documents the land acquisition process followed, including consultations with the affected persons, approaches followed for determining compensation, negotiation and settlement processes, to identify past and present concerns related to impacts associated with the land rights acquisition for the project. The audit evaluated the implementation arrangements for the land acquisition including grievance redress, stakeholder engagement etc. The audit also included a review of the legal due diligence report prepared on the private lands utilized for the project.⁵Based on the audit findings, an action plan to meet ADB SR 2 requirements has been prepared and agreed upon by EBWPC.
12. **Indigenous Peoples (IP) Safeguards:** The audit assessed the impacts on IPs and whether the borrower's actions were in line with the requirements of the ADB SR 3 on IPs. The audit confirmed that there are no indigenous communities inhabiting the Project area who would be impacted due to the wind farm and the transmission lines construction and operation. EBWPC has obtained a certificate of non-overlap (CNO) from the National Commission on Indigenous Peoples (NCIP) confirming that the lands for the wind farm do not affect or overlap any ancestral domain or lands of indigenous cultural communities and indigenous peoples. The audit confirmed that impacts on indigenous peoples are not expected and no corrective actions will be required to ensure compliance with the ADB SR 3 requirements.

C. Project Description

1. Project components

13. The Project involves the (i) installation of 50 3.0 MW wind turbine generators (WTGs)⁶ and ancillary plant equipment; (ii) construction of a 115 kV transmission line, approximately 42 kilometers (km) in length which will connect the 150 MW wind farm to the nearest substation of the National Grid Corporation of the Philippines (NGCP) in Laoag; and (iii) the construction of a substation in Burgos and the expansion of an existing substation in Laoag City, Ilocos Norte. Construction of the Project will be done in 2 phases. The first phase, which consists of the installation of 29 WTGs with a generation capacity of 87 MW, and the construction of the transmission line and substation, is already underway and is expected to be completed by the third quarter of 2014. Phase 2 consists of the installation of an additional 21 WTGs with a generation capacity of 63 MW, which is expected to be completed by January 2015.
14. Wind Turbine Generators. It was originally envisioned to establish a total of up to 55 WTGs with a capacity of 3 MW each (or equivalent to 165 MW) within the project development area. Further investigation and current site optimization studies however suggest erecting only 50 WTGs within

⁴EDC has conceptualized its land rights acquisition strategy to avoid acquisition of title. Expropriation for possession (and not for ownership) for the project period has been found socially and legally acceptable to the affected landowners.

⁵The legal due diligence reviewed the following: (i) land acquisition strategy of EDC for the project, (ii) lease contracts covering the wind farm lots, (iii) easement contracts covering the transmission line (TL) tower lots and TL sail over lots, and (iv) the expropriation proceedings. The focus of the legal due diligence was on identifying legal matters and issues that may be material in the context of project financing and of significance to the lenders.

⁶The WTG is a device that converts the energy from the wind into mechanical energy to produce electricity.

the project development block. The basic parts of a WTG comprise the main rotor shaft and electrical generator located at the top of the turbine. The gearbox located between the rotor and electrical generator amplifies the energy output of the rotor by turning the slow rotation of the blades into quicker rotation that is more suitable to drive an electric generator. The power output from the WTGs will be transmitted to the substation via underground cables, and to the grid through the transmission line. The specifications⁷ of the WTG are:

- Make and Model: Vestas V90
 - Hub height: 75 m
 - Blade/Rotor diameter: 90 m
 - Type of tower: Conical tubular
 - Rated wind speed: 16 m/s
 - Cut-in wind speed: 3.5 m/s
 - Cut-out wind speed: 25 m/s
15. Substation. The substation will connect the Project to the Luzon Grid through the NGCP substation in Laoag City. A Certificate of Non-Coverage (CNC) for the substation components of the Project were secured from the Department of Environment and Natural Resources-Environmental Management Bureau (DENR-EMB).
 16. Control center / Office facility. An on-site building shall contain a fully equipped office with data collection and communication equipment. The facility will be used to monitor the performance and control the operation of the WTGs and the wind farm.
 17. Wind masts. At least three meteorological masts were installed and maintained within the project area for monitoring of wind speed and other pertinent meteorological parameters. Additional masts maybe installed depending on the final design of the wind farm.
 18. Access roads. Access roads will be developed within the project area to facilitate ingress and egress of equipment and WTG components during construction, and operation and maintenance activities. During construction, the road will be about 8–10 m in width and 18–20 km in length to accommodate material delivery. During operation, the road will be retained to about 5–7 m wide for the maintenance of WTGs.

2. Project site

19. The wind farm component is located within the 618 project development block, an area which is largely unpopulated and undeveloped. The wind farm area is covered by an approved ECC and is located within the WESC area issued by the DOE to EBWPC. The Project site is bounded in the north by the West Philippine Sea and on the south, east and west by alienable and disposable lands. The Kapurpurawan Rock Formation and Bangui Windmills, which are known tourist attractions in the locality, are located near the boundaries of the project development block facing the sea. The Palpalokada Landscape, a potential tourist attraction, is located within the project location site.
20. EBWPC chose this area based on the following considerations: (i) positive results of measurement of wind speed and direction performed over a period of at least eight years; (ii) avoidance of residential areas in the three impact barangays; (iii) avoidance of environmental critical areas such as critical slope and potential tourist areas.
21. The Project development block comprises land classified as alienable and disposable land, and forests land. The alienable and disposable land is being used as communal pasture land by the local residents and ecotourism area as declared by the provincial government of Ilocos Norte and

⁷Hub height refers to the height from the ground to the center of the blade. The cut-in and cut-out wind speed refers to the minimum wind speed to start generation of electricity and the maximum wind speed to stop generation. For example, in the specifications mentioned above, the turbines will automatically start to generate electricity when wind speed reaches 3.5 m/s and will achieve maximum output of 16 m/s. When wind speed exceeds 25 m/s, the WTG will automatically shut down. The cut-out wind speed is a safety feature that aims to protect the WTG for damages when winds reach very high speeds. The turbines will be spaced between 3 to 5 rotor diameters from each other.

municipal government of Burgos. There are no households or structures within the 618 project development block. Located within 700m radius from the perimeter of the project development block are 149 structures composed of 143 houses, two chapels, two vacant houses and a piggery. Farming and fishing are the major sources of income of households surveyed while others are involved in carpentry, dressmaking, construction and electrical works. Some households also raise livestock. The project development block is also being used by the residents as communal grazing land. These residents live outside the project development block and they only use the land inside the block for economic activities.

22. The transmission line traverses the following route (i) Barangays Ablan, Bayog, Bobon, Paayas, Poblacion, Saoit, and Nagsurot in the municipality of Burgos, (ii) Barangays Davila, Dilavo, Caruan, Sulongan, Estancia, Susugaen, Nagsanga, Sulbec, Poblacion 2, Ngabangab, Salpad, Batuli, Libeng, Tabunago, and Carusipan in the municipality of Pasuquin, (iii) Cabaruan, Cabusligan, Corocor, Pasngal, Pungto, and Sangil in the municipality of Bacarra, and (iv) Barangays Barit and Vira in Laoag City.

II. LAND RIGHTS ACQUISITION FOR THE PROJECT

A. Land requirements for the project

Table 1 Summary of land acquisition and resettlement impacts

S.No	Impact	Number	
1	Wind farm		
1.1	Land requirement	618 ha	
	Private land		
	Area	399 ha	
	Households	273	
	Public land		Communal pasture
	Area	219 ha	Rights to EBWPC assigned through a forest land use agreement (FLAg) from the DENR. A Memorandum of Agreement (MoA) signed between the Burgos Municipality and EBWPC to ensure coexistence of a wind farm and communal pasture to optimize the land resource for production of electricity, livestock raising, and other related activities.
	Households	67	
2	Wind turbine generators (WTGs)	55	
	WTGs on public lands	22	
	WTGs on private lands	33	
	Landowners affected	27	
	Landowners with major impacts ⁸	0	Area impacted by the construction of WTGs ranges from 0.23% to 5.96% with majority of landowners having less than 2% impact on their land.
3	Transmission lines		
3.1	Length	42km	
3.2	RoW	30m	
3.3	Transmission towers	128	
	Towers on public lands	25	

⁸ Defined as losing >10% or more of their productive assets (income generating)

	Towers on private lands	103	
3.3	Land requirement		
	Private land		
	Area	98.56 ha	
	Households	1909	
	TL Sailover lots	1729	
	Transmission tower lots	167	
	Landowners with major impacts (DPs in bracket) ⁹	33 (194)	
	Public land		
	Area	22.4 ha	covered by a FLaG dated August 13, 2012
	Households	0	

1. Wind farm

23. The Contract Area for the Project site covers 1,296 hectares, approximately 618 hectares of which EBWPC has delineated and identified as the site for the Wind Farm. The Wind Farm will be located on both public and private land. The public land for the Wind Farm covers a total area of 219 hectares and is covered by a Forest Land Use Agreement ("FLaG") dated January 10, 2012 issued by the DENR. The private land for the Wind Farm covers a total area of approximately 467 hectares consisting of 273 lots. With respect to the lots for the private land, EBWPC has either: (i) entered into lease contracts with the landowners or their respective representatives, or (ii) obtained writs-of-possession or orders of expropriation from the DOE.
24. For the lot in public land, EBWPC has been issued a FLaG by the Department of Environment and Natural Resources. . Of the 273 private lots acquired for the wind farm, possessory rights were acquired through 21 lease agreements with EBWPC, and 252 were subject of expropriation (possession) proceedings.

2. Transmission line System

25. The 42km 115kV transmission line is located in the municipalities of Burgos, Pasuquin, Bacarra and the city of Laoag. The Transmission Line ("TL") System traverses both public and private land and covers a total area of approximately 121 hectares. The public land traversed by the TL System covers a total area of 22.4 hectares and is covered by a FLaG dated August 13, 2012. There are 180 TL Tower Lots and 1,729 TL Sailover Lots. With respect to the lots for the 99 hectares private land (comprising 1909 lots), EBWPC has either: (i) entered into easement contracts with the relevant landowners or their respective representatives, or (ii) obtained writs-of-possession or orders of expropriation from the DOE.

Table 2 Public and private lands

TL	Lots	Hectares
Public Land	3	22.37
Private Land	1909	98.56
Total	1912	120.93

26. Details of the nature of land rights acquisition for the transmission line is as follows:

Table 3 Total areas of TL lots

TL	Lots	Hectares
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⁹ Adopting an average household size of 4.5 based on 2013 average of Ilocos province

FLAg	3	22.37
Easement	1014	43.88
Expropriation	562	37.49
Authorizations Received from Landowners	333	17.19
Total	1912	120.93

B. Project land rights acquisition strategy

27. EBWPC's land rights acquisition strategy for the project avoids acquisition of title and the lease agreements or expropriation is carried out for possession rights during the Project period. Further, to minimize resettlement impacts all lands (with the exception of the footprints of the WTG and the transmission towers) will be available to the landowners for continued use during the entire project period. Securing possession rights over affected private lands was preferred over acquiring title because of the following reasons: (1) higher cost of purchasing the lots compared to leasing the property, (2) less socially acceptable in the community's perspective because of massive acquisition, and (3) limitations on the ownership of agricultural land in terms of total land holdings.
28. The key features of the land rights acquisition strategy, which enabled a general consent and positive response to the acquisition of project lands are:
- Siting criteria that considered avoidance of prime agricultural lands and direct impacts on residential/private structures;
 - EBWPC strategy to avoid acquisition of title enabled a higher social acceptance to the project since the land ownership will be restored back to the owners after the project period;
 - Payment of fair compensation and provisions for counter-offer in addition to the BIR zonal value for lands.
 - Provision of prior information to landowners on potential material impacts on land due to siting of WTGs and towers
 - Providing options to landowners with material impacts for (i) refusal to siting of WTGs/towers on their lands, and (ii) carrying out negotiations with EBWPC to arrive at an adequate and fair price for lands and assets acceptable to the landowners.
 - Payment of 100% of the BIR zonal value for easement rights (sail over lots along the transmission lines) as against the DoE practice of payment of 10% of the land values for easement rights; and,
 - Undisrupted usage of the lands leased/expropriated to the project, after receipt of the compensation for their lands;
 - Support to the non-titleholders, occupying the communal pasture lands for grazing purposes, and support to establish and maintain forage production area and deployment of local manpower to ensure safety of cattle and the wind farm assets; and,
 - Prioritized access to potential employment opportunities generated in the project and skill development and training initiatives.
 - Payment of annual property taxes to the local government for the project period.
29. **Research and Mapping:** Initially, the master list of lots and profile of landowner are prepared based on Municipal Assessor's Map, Tax Map Control Roll, Tax Declaration, Technical Descriptions and Cadastral Maps gathered from the Municipal Assessor's Office, Registry of Deeds and the Bureau of Lands). These inputs were taken account in determining the finalizing the transmission line ("TL") route along with technical considerations such as terrain, deflection angles and proximity to other facilities. The land team developed right-of-way options and are finalized with the assistance of engineers. Lots to be used as lateral access and working area needed in the construction are also planned. An initial inventory of affected trees and structures were also conducted.
30. **Developing of Pricing Mix:** Once research and mapping are done, the Land Team starts on developing the pricing mix obtained from commercial banks, municipal assessor values, Bureau of Internal Revenue ("BIR") zonal values, and fair market values, if available, from realtors. As for

the Burgos Wind Project ("BWP"), the Land Team decided on using BIR zonal values as initial offer to the landowners. All payments made for the easement or lease contracts for the rights-of-way ("ROW") are paid upfront. Contracts and payments cover a period of 25-years.

31. For lands wherein permanent structures are placed (wind farm, substation, and TL towers), lands were legally acquired thru the expropriation powers of DOE. Expropriation for mere possession (and not ownership) addresses the following concerns: (1) defective easement contracts, and (2) time factor regarding Department of Agrarian Reform (DAR) conversion.
32. In 2000, 285 ha of private lands were identified for the BWP. By the end of 2000, 80 percent had been secured for the Project development by means of 25 year leases. In 2010, said easement contracts were reviewed. It was found out that most easement contracts were legally defective. Through expropriation, possessory rights can be perfected solving the issue.
33. In 2010, the initial strategy for wind farm and substation lands was to offer easement contracts before proceeding with expropriation. However, securing land owner's land ownership documents to allow EBWPC to enter into an easement contract and converting these agricultural lands took significant time. As construction needed to immediately start, the strategy changed early 2011. Expropriation automatically converted agricultural land which shortened the needed lead time.
34. For the transmission line sail over lands, negotiations towards entering into easement contracts continued to be offered to all land owners. All cases of expropriated sail over lands were due to defective documentation. There are no cases of expropriation due to unreasonable counter offer of landowners
35. The strategy for acquiring the land rights for the wind farms and transmission lines is detailed below.

1. Wind Farm

36. **Lease Agreements.** Acquisition of title or ownership was not the preferred option to acquire possessory rights over the lands needed for the project because of (i) higher cost compared to leasing the property, (ii) less social acceptance of the affected community because of the mass acquisition of the property; and (iii) limitations on the ownership of agricultural land in terms of total land holdings.
37. **Expropriation.** For other parcels of land, expropriation was used to acquire possessory rights to address the following issues: (i) void contracts for having been executed during the prohibited period prescribed by the Comprehensive Agrarian Reform Law; (ii) unenforceable contracts for having been signed by signatories who are neither the registered owners of the lots nor the duly authorized representatives of such owners; (iii) certain lots are being claimed or have been transferred to third parties after the date of execution of the contracts; (iv) certain contracts were not supported by copies of the Original Certificate of Titles (OCT) / Transfer Certificate of Titles (TCT) covering the lots; and (v) certain contracts were not supported by affidavits of non-tenancy which are required for annotation in the registry of deeds. In addition, there is also the issue on conversion of lands. The classification of the parcels of land for the project would also have to be converted from agricultural to industrial since almost all of the lots have been previously classified as agricultural. The process in converting the lands is a tedious and time-consuming if instituted separately with the Department of Agrarian Reform. To avoid this process, the issue of conversion can be included in the expropriation proceedings.

2. Transmission line

38. Similar to the acquisition of wind farm lots, EBWPC has been issued a forest land use agreement for lots in public land. For the lots in private lands, these are covered either by easement contracts executed by EBWPC with the landowners or by writs of possession/orders of expropriation.

C. Land rights acquisition process

1. Lease Agreements and Easement Agreements.

39. Land acquisition begins with the identification of affected lots by the technical team. The BWP Land Documentation and Negotiation Team will conduct research and verification on these lots and get copies of ownership documents from the local assessor's office, and details of the landowners (name, address, whether alive or deceased). When these pieces of information are available, the land negotiation team will proceed to prepare a letter offer and negotiate with the landowner to acquire lease and/or easement of right of way. The basis of the offer would be the assessed value of the lot from the Assessor's Office. The team will observe a reasonable period of 15 calendar days from receipt of the letter for the landowner's reply. After which the team will determine whether the land will be for signing of easement/lease agreement or for expropriation. If the landowner agrees with the terms of the contract, EBWPC will enter into a lease agreement or an easement contract (as applicable) with the landowner.
40. The lease contracts are supported by (i) copy of the OCT or TCT, (ii) a copy of the tax declaration over the lot subject of the lease contract, (iii) an affidavit of non-tenancy, (iv) special power of attorney from the registered owners/lessors in favor of EBWPC, (v) special power of attorney/undertaking from the registered owners/lessors in favor of EBWPC, (vi) a copy of check(s) issued to, and received by, the registered owner/lessor from EBWPC for lease rentals, (vii) if applicable, a copy of extrajudicial settlement and declaration of heirship, and (viii) a certification of non-delinquency of real property tax payments.
41. Easement contracts are supported by (i) a copy of the OCT or TCT over the lot subject of the easement contract, (ii) a copy of the tax declaration over the lot subject of the easement contract, (iii) an affidavit of non-tenancy, (iv) a special power of attorney from the registered owners/lessors in favor of the signatories of the lease contract, (v) special power of attorney/undertaking from the registered owners/lessors in favor of EBWPC, and (vi) an affidavit to locate heirs.

2. Expropriation Procedure

42. If the landowner refuses or the land documents are insufficient to enter into a lease agreement or an easement contract, the DoE will obtain a writ of possession through the exercise of the power of eminent domain. The DoE will prepare and send the letter offer to the landowner based on the Bureau of Internal Revenue (BIR) zonal valuation of the subject lot and observe reasonable period of 165 calendar days from receipt of letter for the reply of the landowner before the matter is endorsed to the Office of the Solicitor General (OSG) for the preparation and filing of an expropriation complaint.
43. **Filing of Complaint.** The complaint must state with certainty the right and purpose of expropriation, describe the real or personal property sought to be expropriated, and join as defendants all persons owning or claiming to own, or occupying, any part thereof or interest therein, showing as far as practicable, the interest of each defendant separately. The government must first exhaust the other modes of acquisition before it can exercise its right of eminent domain given that expropriation is always the remedy of last resort.
44. **Notice to Defendant, Payment of Provisional Value, and Certificate of Availability of Funds.** Upon the filing of the complaint and after due notice to the defendant, the government must immediately pay the owner of the property the provisional value, i.e., the amount equivalent to the sum of (i) 100% of the value of the property based on the current relevant zonal valuation of the BIR; and (ii) the value of the improvements and/or structures thereon.
45. **Issuance of Writ of Possession.** Upon satisfaction of all the requirements, the court shall then immediately issue to the government an order to take possession of the property and start the implementation of the Project. The following are the essential requirements: (i) the filing of a complaint in sufficient form and substance; (ii) due notice to the defendant; (iii) payment of an amount equivalent to 100% of the value of the property based on the current relevant zonal valuation of the BIR, including payment of the value of the improvements and/or structures, if any, or if no such valuation is available and in cases of utmost urgency, the payment of the proffered

value of the property to be seized; and (iv) presentation to the court of a certificate of availability of funds from the proper government officials.

46. Upon compliance with the said requirements, the government is entitled to a writ of possession as a matter of right, and it becomes the ministerial duty of the trial court to forthwith issue the writ of possession. No hearing is required, and the court exercises neither its discretion nor its judgment in determining the amount of the provisional value of the properties to be expropriated. Once the writ of possession is issued, the government can immediately take possession and use the property even before trial.
47. **Trial.** Within 60 days from the filing of the expropriation case, all matters regarding defenses and objections to the complaint, issues on uncertain ownership and conflicting claims, effects of appeal on the rights of the parties, and such other incidents affecting the complaint shall be resolved.
48. **Order of Expropriation and Order of Just Compensation.** There are two stages in expropriation proceedings: (a) the determination of the validity of the expropriation, and (b) the determination of just compensation. The owner of the property may contest the implementing agency's proffered value. The court is then mandated to determine the just compensation to be paid the owner within 60 days from the filing of the expropriation case.
49. **Payment of Deficiency in the Just Compensation, if any.** When the decision of the court with respect to the proper amount of just compensation becomes final and executory, the government shall pay the owner the difference between the amount already paid and the just compensation as determined by the court. Thus, the government pays just compensation twice: (i) immediately upon the filing of the complaint, where the amount to be paid is 100% of the value of the property based on the current relevant zonal valuation of the Bureau of Internal Revenue (BIR) (initial payment); and (ii) when the decision of the court in the determination of just compensation becomes final and executory, where the implementing agency shall pay the owner the difference between the amount already paid and the just compensation as determined by the court (final payment).
50. **Registration.** The DoE assigns all its rights under the Writ of Possession or Order of Expropriation to EBWPC, the Writ of Possession or Order of Expropriation and/or Deed of Assignment (as applicable) is registered at the Register of Deeds. The Register of Deeds of the province or city where the property affected by the national government project is located shall immediately cause the registration or recording of the right-of-way agreement, grant, or deed executed by the landowner in favor of the government or decision on eminent domain cases concerning the acquisition of the property or easement of right-of-way of his property or a portion hereof upon presentation of said agreement, grant, deed or decision without the need of presentation of the owner's duplicate of title, if the agreement, grant or deed is in a public instrument, duly notarized before a notary public, or the decision is final and executory as duly certified by the clerk of court of the concerned court which issued the same.
51. Each expropriation case is supported by (i) a copy of the expropriation complaint, (ii) copy of the deed of acceptance, (iii) copy of the writ of possession, (iv) a copy of the judgment of expropriation, and (v) copies of interlocutory orders of the court.

D. Approach to Valuation and Compensation.

1. Land

52. **Assessed Value.** As discussed in the land acquisition process, offered value for the parcel of lot is based on the assessed value provided by the Municipal Assessor's Office, a local government realty tax office that appraises and assesses real properties for taxation purposes based on the schedule of fair market value approved by the local legislative council. The schedule is based on land classification (urban, rural), actual land use (agricultural, residential, commercial, industrial, or mineral), improvements (plants and trees or buildings and other structures), and depreciation. This is subject to adjustments based on: (i) type of road along/nearest to the property and (b)

location of property, such as distance from the public road from the local government center or trading center.

53. **BIR Zonal Value.** The BIR zonal value is a value set by the national government for each revenue region across the country. It is used for internal revenue tax purposes for the collection of taxes from the transfer, exchange or disposition of real properties. The determination of zonal value is done by committees which are composed of difference agencies that are involved in land administration/management at the national and revenue district level.
54. The following is a sample of how compensation was determined. Although there is no transfer of ownership, compensation is determined using the selling price of land based on either BIR Zonal Value or just compensation.

Table 4 Sample land valuation - Wind Farm

Contract of Lease	Area	Value	Value per sq.m
Declared Market Value (based on assessed value)	23791	54630	2.29624648
Offered value (BIR Zonal Value)	23791	59477	2.499978984
Expropriation	Area	Value	Value per sq.m
Declared Market Value (based on assessed value)	14342	30267.54	2.110412774
1st Offer (Assessed Value)	14342	1434.2	0.1
2nd Offer (BIR Zonal Value)	14342	430260	30

Table 5 Sample land valuation - Transmission Line

Easement	Area	Value	Value per sq.m
Declared Market Value (based on assessed value)	7155	59987.25	8.383962264
Offered value (BIR Zonal Value)			
Tower	225	3375	15
Sailover	3255	48825	15
Compensation	3480	52200	15
Expropriation	Area	Value	Value per sq.m
Declared Market Value (based on assessed value)	871	13503.46	15.50339839
1st Offer (Assessed Value)			
Tower	63.7	398.13	6.250078493
Sailover	63.8	438	6.865203762
2nd Offer (based on BIR zonal value)			
Tower	63.7	1274	20
Sailover	63.8	1276	20

55. **Counter-offer.** This is based on the counter-offer of the landowner based on their assessment of what is an acceptable price for their land. While the offered value based on BIR zonal values was found acceptable to most of the landowners, the land team of EBWPC carried out negotiations with landowners on the counter-offer to arrive at an adequate and fair price for lands and assets, acceptable to the landowners.

E. Summary of resettlement impacts

1. Private Lands

56. 273 lots were acquired from 258 landowners for the development of the wind farm. A total of 33 WTGs have been erected on private land. Each WTG has a footprint of 320 sq.m, which includes an 80 sq.m foundation. Among those permanently and partially impacted are the 27 private owners of these lands. Based on the total area owned by each landowner, the area impacted by

the construction of WTGs ranges from 0.23% to 5.96% with majority of landowners having less than 2% impact on their land.

57. There were no households or residential structures in the affected area. Primarily used for grazing, pasture lands are not considered as prime agricultural lands per Department of Agrarian Reform Administrative Order No. 363. Acquired lands were either idle or used for livelihood activities (e.g. grazing, source of firewood, forest and agricultural products). Construction of WTGs on these lands resulted in permanent and partial loss of land used by some of the landowners for livelihood activities. Those who lost part of their land used for grazing resorted to transferring their cattle in areas not affected by the construction of WTGs. Those who use their land for other economic activities relied on their remaining land and other livelihoods (e.g. salt-making, fishing) for their source of income. Other landowners who are not affected by the construction of WTGs, substations and access roads only have temporary and partial loss of the use of their lands. Once in operation, landowners are allowed to continue the use of its land in a manner not impeding the operation of the wind farm.

2. Communal Grazing Lands

58. The loss of communal grazing lands has will impact 67 small-scale cattle herders and livestock raisers due to the displacement 180 cattle and livestock pending construction activities and reduction of grazing area during operation. Consultation activities conducted in April 2013 between EBWPC, livestock-raisers, and the municipality of Burgos identified specific areas within the pasture land which will not be used during construction and can remain as foraging areas. A joint-use MoA between the local government of Burgos Municipality and Energy Development Corporation (EDC), parent company of EBWPC, was executed for this purpose. The memorandum included technical and financial support for the development of alternative foraging area, undertaking maintenance activities within the project development block, hiring of BABA members as foot patrol to prevent cattle and livestock from wandering in the construction site and getting injured or killed in the process.
59. A 6 ha forage production area consisting of a one ha pilot area and five ha forage planted area was developed as a result of the joint memorandum. BABA members built temporary cattle shed or holding corral covering about one-hectare which can accommodate up to 50 cattle near the forage planted area to easily feed the cattle with the forage grasses using the cut-and-carry system. The site for the temporary holding corral was identified in coordination with the First Balfour, Inc. EBWPC's contractor for the civil works during wind farm development. EBWPC also implemented a cattle-fattening project consisting of two cattle-fatteners that is managed by BABA. The forage production area however was subsequently used as construction site and was replaced by a one ha site for forage production located in Poblacion.

3. Transmission Line

60. 1909 lots were acquired from 1815 landowners for the transmission line from the municipality of Burgos to Laoag. A total of 103 transmission towers were erected on private lands belonging to 167 land owners. Each transmission tower has a footprint of 220 sq.m, which will be unavailable for continued use to the landowner. Based on the total area owned by each landowner, majority of landowners have less than 10% of the impact on their land. Based on the assessment of the land holdings and the extent of impacts to the land owners, 33 land owners are expected to experience impacts to greater than 10% of their lands at the project location.
61. There were no households or residential structures in the affected area. Acquired lands were either idle or used for livelihood activities (e.g. grazing, source of firewood, forest and agricultural products). Construction of transmission towers on these lands resulted in permanent and partial loss of land used by some of the landowners for livelihood activities. Those who lost part of their land used for grazing resorted to selling their cattle or transferring their cattle in areas not affected by the construction of WTGs. Those who use their land for other economic activities relied on their remaining land and other livelihoods for source of income. Other landowners who are not affected by the construction of transmission towers experienced only temporary and partial loss of the use of their lands for access roads needed for the erection of the transmission towers. Once

in operation, landowners are allowed to continue the use of its land in a manner not impeding the function of the transmission tower.

4. Temporary impacts during construction

62. EBWPC's arrangements with the civil contractors included compensation to the landowners for all temporary impacts during construction.

F. Indigenous peoples impacts

63. Two CNOs were secured from the NCIP confirming that the Project will have no impact on indigenous peoples. A CNO is a precondition under the Indigenous Peoples' Rights Act of 1997 (Republic Act No. 8371) for the issuance or any concession or license by any department or government agencies. It is issued after the conduct of a field-based investigation attesting to the fact that the area affected by a particular project does not overlap with any ancestral domain.
64. The two CNOs above were issued by the Regional Director of NCIP Regional Office No. 1 for the Project. The first was dated 10 October 2007 and was granted to then PNOC-Energy Development Corporation, based on field-based investigation report dated 25 September 2007 and supplemental report 10 October 2007. The second was granted to Energy Development Corporation on 21 October 2009. Both CNOs confirm that the Project site does not affect/overlap with any ancestral domain.

G. Livelihood Restoration Program

1. Support to BABA

65. Burgos Agri-Based Association (BABA) was formally established in the first quarter of 2012 to represent the livestock raisers who serve as the main beneficiary of EBWPC's pasture development project. The organization of BABA was initiated by members of the APN-BSP Livestock Raisers Association which was then struggling to survive, having no major activity from the period 1993–2010. By the end of 2011, the remaining 18 active members from the original 40 members decided to apply for registration with the Department of Labor and Employment (DOLE) under a new name to represent a broader constituent of community members in Burgos.
66. As a newly-established organization, BABA needed technical and organizational assistance to develop their capacities in enhancing and managing the pasture land. In this regard, several activities geared to strengthen the organization were facilitated by the EBWPC, namely:
- Registration of BABA with the DOLE as a legitimate rural workers association
 - Accreditation of BABA by the Burgos Municipal Council
 - Opening of bank account
 - Election of BABA officers during its General Assembly on 22 April 2012
 - Application for registration to the Bureau of Internal Revenue
 - Conduct of Leadership Training Seminar on 22 July 2012
 - Basic bookkeeping (half-day) session for select officers
67. Several organizational meetings were held to address membership issues and formulate action plans. Its formal registration to DOLE reactivated the organization which was then hounded with organizational problems—more than half of its members inactive, unclear or absence of any organizational processes and most importantly, there was mistrust among the members. Prior to the General Assembly of BABA in April 2012 where new officers were installed, the remaining active members went through the process of defining its mission-vision, membership and other organizational policies. To date, the organization has 67 members and almost half of them (30) are new. It is estimated that the members own a total of 180 cattle that currently use the 247 ha communal pasture in Burgos. In an effort to raise funds for the organization, collection of membership fee was intensified among the new members. While it was far from achieving a 100% collection of fees, the new members have shown their enthusiasm to meet their obligations by paying the required membership fee on an installment basis. From zero funds upon its

establishment at the start of 2012, BABA has raised a total of PHP14,200, which was sourced from membership fees, income from cattle-fattening, solicitations/donations and income from labor services.

2. Pasture Development project

68. Initiated in 2010, the Pasture Development Project was a response to the assessment study indicating the need to revitalize the 247 ha Burgos Communal Pasture area hosting the then proposed 98 MW Burgos Wind Project. The Pasture Development Project aims to improve the economic condition of the local livestock raisers who are utilizing the pasture area in line with EBWPC's commitment to the local government of Burgos embodied in a Memorandum of Agreement signed in 2008 between EBWPC and Burgos LGU.
69. Since 2012, EBWPC initiated the clearing and development of six-hectares of the area wherein different grass species were planted to feed the cattle-breeders owned by the local livestock raisers. These livestock raisers are members of BABA which also takes part in the maintenance and development of the pasture area being the project's direct beneficiary.
70. EBWPC's livelihood support to the community was directed to the local livestock raisers utilizing the Burgos communal pasture area by establishing a forage production area inside the communal pasture in 2010 and 2011. In 2012, the challenge was to ensure that the initiatives in the past two years are sustained by the local association with the support of the local government of Burgos. In line with this, EBWPC through the Corporate Social Responsibility Department of EDC, in collaboration with the BABA, carried out maintenance activities in the six hectare-Forage Production Area consisting of regular clearing/weeding, replanting of forage grasses and fertilizer application. A portion of the perimeter fence had to be replaced due to wear and tear. New barbed and hog wire were likewise installed in the one-hectare pilot area and five-hectare forage planted area to prevent overgrazing by stray cattle or other ruminants. The six-hectare forage area serves as the source of cattle feeds for BABA's members during the dry months of April and May when forage grasses are no longer available in the open areas of the communal pasture. To prevent over-grazing, cut-and-carry of the forage grasses is being practiced.
71. Also part of the maintenance activity is the installation of a shallow well and a jetmatic pump to address the problem of inadequate water supply during dry season. This will be used to water the forage grasses as well as provide drinking water to the cattle-fatteners and breeders owned by BABA during summer months. In Palpalokada area where most of the cattle are found, small reservoir to collect water run-off was also constructed to serve as source of water during dry months.
72. In light of the impending wind farm construction where movement of the livestock in the pasture area will likely be regulated to prevent accidents, BABA members built a temporary cattle shed or holding corral covering about one-hectare and will hold around 50 cattle at a time. Since it is situated right next to the forage planted area, feeding the cattle with the forage grasses will be easier using the cut-and-carry system. The site for the temporary holding corral was identified in coordination with First Balfour (one of the project contractors).
73. To demonstrate to the local livestock raisers the value of intensive livestock-rearing, as opposed to their traditional practice, EBWPC implemented a cattle-fattening project consisting of two cattle-fatteners and is managed by BABA. In 2012, it was on its third cycle since it was first launched in 2011 with an initial capital of PHP34,500 to procure two heads of cattle fatteners. The project has sold a total of six cattle-fatteners where cost of sale is deducted from the gross proceeds and is used to procure cattle-fatteners as replacement. The net proceeds are divided equally by the care-taker and BABA. The project has so far generated at least PHP 6,500 income each for the association and the caretaker.
74. During the construction period, cattle fattening activities and the 5-hectare forage area were discontinued. On the other hand, BABA was still allowed to graze in the construction area with the guidance of the hired foot patrol. As replacement to the 5-hectare forage area that was used as construction site, a one-hectare forage area was developed early 2014. However, the area was

overgrazed in summer. As a solution, an 8000 sq m piece of land in Bira was developed to be a cut and carry forage area. With the success of the first cut and carry forage area, the same strategy is being replicated to two 6000 sq m areas 2014 4Q. At the same time, the overgraze one-hectare area will be rehabilitated. EBWPC has also committed to repair the fences for the cattle in the construction area.

75. EBWPC is committed to working with BABA on how the pasture land will be used once the wind farm is already operational. It is also in EBWPC's intentions for more community members to benefit from this pasture development program. In addition, EBWPC commits to responding to issues regarding pasture development. With the grievance mechanism, there will be proper documentation of concerns.

Table 6 Operations Phase Plan for Pasture Development

Program	Specific Activity	Responsible Person/s
Information, Education, and Communication (IEC) Campaign	Inform community members regarding the existence of BABA	Community Relations Officer
Needs Assessment	Conduct a consultation with BABA on their concerns and needs regarding operations phase of the wind farm	Community Relations Officer
Grievance Mechanism	Establish a grievance mechanism in coordination with the community	Grievance Committee

76. The timeline and breakdown of the planned pasture development budget for 2013-2015 has been agreed with the lenders.

III. CONSULTATIONS & GRIEVANCE REDRESS MECHANISM

A. Consultations and stakeholder engagement activities till date

77. Several stakeholder engagement and socialization meetings were conducted as early as 2000 by then PNOC-EDC. Communities were then informed of the plan to build a wind farm in Burgos. A series of community consultations were again conducted when the project was revived in 2010. These activities are summarized:

Table 7 List of consultations

DATE	AUDIENCE AND TOPIC
February 12 and 24, 2000	EBWPC met with the Mayor of Burgos and municipal/barangay officials where they were informed of the proposed Project.
April 12, 2000	An information drive session for the wind farm project was undertaken at Burgos Central Elementary School and in general, the Project was well received and no indication of opposition was expressed due possibly to early EBWPC coordination in Burgos town. The information drive was conducted in local dialect (Ilocano) and a simple comic strip was prepared and distributed to the attendees. The session was attended by the Mayor of Burgos, municipal councilors, barangay captains of Pagali and Saoit and municipal officers as well as the CENRO and representative from the local pasture association, Burgos Agri-Based Association (BABA). In total, there were 104 attendees.
August 23, 2007	Consultation with Burgos stakeholders on EDC's Clean Development Mechanism (CDM) application
April 7, 2010	A stakeholders' consultation was held at Burgos Central Elementary School as part of the requirements for registration to the CDM. There were 60

	participants including municipal councilors, barangay captains of Pagali and Saoit and municipal officers, the CENRO, and a BABA representative.
April 11, 2011	Consultation with members of barangay Nagsurot regarding the transmission line
July 20, 2010	Consultation with Mayor Nicomedes de la Cruz, Jr.
July 21, 2010	Consultation with officials of Burgos and Bacarra barangays regarding the transmission line
July 22, 2010	Consultation with officials of Pasuquin barangays regarding the transmission line
July 25, 2010	Community consultation with residents of two (2) Laoag City barangays regarding the proposed transmission line
July 27, 2010	Consultation with officials of Pasuquin barangays regarding the transmission line
September 3, 2010	Consultation with Burgos residents and BABA members regarding land zoning
January 16, 2012	Consultation with the members of the Ilocos provincial council board regarding the entire project
April 24, 2012	A follow-up stakeholders' consultation was held at Burgos Central Elementary School as part of the requirements for the CDM application. According to the attendee list, there were 25 participants including municipal councilors, barangay captains of Pagali and Saoit and municipal officers, CENRO, and a BABA representative. The consultation aimed to validate the results of the consultation held in 2010 and gather the community's concerns (if any). The meeting was also attended by two (2) auditors from Bureau Veritas. Based on the meeting minutes, Parsons Brinckerhoff considers that no concerns were identified.
July 24, 2012	A forum on the Pasture Development Project was held to discuss progress and ways to further develop the communal pasture area in line with the need to improve the municipality's livestock industry. According to the EPRMP, the participants, composed of representatives from BABA, local officials from the Municipal Agriculture Office, Provincial Veterinarian Office, Municipal Council and Municipal Development Office, agreed to form a discussion group to prepare a Pasture Development and Management Sustainability Plan that incorporates its other uses namely Wind Farm by EBWPC and Tourism by the Burgos LGU as the lead agency.
April 30, 2013	Consultation with BABA members, Burgos LGU, and First Balfour Inc.
May 11, 2013	Consultation with Barangay Saoit regarding project expansion to 150 MW
May 19, 2013	Consultation with Barangay Nagsurot regarding project expansion to 150 MW
May 21, 2013	Consultation with Barangay Poblacion regarding project expansion to 150 MW

78. Related issues and concerns regarding the Burgos Wind Project raised by stakeholders during the stakeholder consultation activities are summarized in the table below. The majority of issues and concerns raised were relevant to project description and ownership, timeframe of the project since it influences the host municipality's development and budget plan, compliance to the terms and conditions of permits issued, and safety and status of livestock raisers. Basis of land compensation was also raised as well as potential noise pollution generated by the project during project operation. Benefits expected by the stakeholders were also communicated to the proponent such as CSR programs, manpower requirement and training opportunities.

Table 8 Summary of concerns prior social compliance audit

Issues and concerns	Raised by Stakeholder/ Sector	EBWPC Response
21 July 2010 Burgos Central Elementary School		

Timeframe of project implementation because the project has been proposed ten years ago. People are enthusiastic about the project because of potential economic development	Municipal Vice Mayor of Burgos	EBWPC apologised for the delay of the project and reasoned that if it was implemented 10 years ago, the total project cost will be expensive. At present, it is cheaper to develop a wind power because of the signing of the Renewable Energy Act It is expected that project development will start in September when Notice to Proceed will be approved by the Energy Regulatory Commission (ERC)
There are other energy companies who are looking at your project area as potential for energy development	Vice Mayor of Burgos	EDC, the sister company of EBWPC, has been in the area for almost 10 years which proves that they are committed to continue implementation of the project The project proponents went through legal process in order to implement the project
Basis of compensation of affected land owners	Barangay Chairmen of Bobon and Ablan	The lease or compensation is based on fair market value
Benefits from the project	Barangay Chairman of Paayas	During construction, there will be a need for construction workers. During operation, the ER 1-94 will be implemented, where power plants are required to set up a community fund as a financial benefit awarded directly to the host communities
7 April 2010 Burgos Central School		
Use of oil or petroleum-based products for the project	Municipal Mayor of Burgos	To this, EBWPC stated that the wind turbines would require a periodical oil changes, particularly lubricants for the nacelle, but the process (of changing/using oil or lubricant) will be carried out as prescribed by the manufacturer. He gave the assurance that EDC/EBWPC will do this in a clean way, including the disposal of the oil, in compliance with applicable local codes for the disposal of wastes.
Reminded to religiously follow the terms and conditions provided for in the permits that will be issued to the company/proponent	Provincial Environment and Natural Resources Officer (PENRO) of Ilocos Norte	To this, EBWPC assured the PENRO that they will take note of his reminder. EBWPC also maintained it is a basic requirement in all projects to comply with the conditions and requirements of all government instrumentalities. He added that when applying for loans, the banks also follow a rigorous system of audits in the performance and compliance with permit requirements. He assured the participants the EBWPC will always comply.
Mr. Rodolfo Garcia, Jr., representative of the Municipal Agrarian Reform Office of Burgos brought up the issue of noise pollution produced by wind turbines. He shared his observation of the wind turbines of North Wind Power, which produce annoying sounds. He inquired whether such annoying sounds will scare the livestock grazing in	Representative of Burgos Municipal Agrarian Reform Office (MARO)	EBWPC admitted that the turbines might cause temporary short-term annoyance or disturbance, but farm animals will eventually be able to adjust. He added that the project will ensure compliance with the required noise levels. Representatives from EBWPC shared that the National Pollution Control Law (PD 984) of the Philippines has an existing requirement for noise level compliance, and this law has a standard on the required noise level for wind projects. Since this compliance is provided for in the law, the Burgos Wind Project (BWP) will certainly comply with the standards. He stressed that EBWPC's minimum requirement in all

the area away.		its power projects is full compliance with all laws, regulations and permits.
Concern of the pasture association and inquired whether there is a planned fencing of spring	Municipal Mayor of Burgos	EBWPC explained that the spring is not within the contract area of BWP as it is already allocated for tourism purposes. EBWPC recognises that the area is needed by the livestock and it has not actually been closed or fenced. EBWPC is committed and will coordinate with the pasture group and other parties responsible for the pasture area to come up with an agreement, especially regarding the access of farm animals to the water source inside the ecotourism area.
Start of project development because it will have an impact in the preparation of municipal development plan and budget	Municipal Planning and Development Officer of Burgos	EBWPC is working to obtain the Notice to Proceed within the third quarter of 2010. He emphasised, however, that the ability of EDC to start the construction by the third quarter will depend on the ability of DOE and ERC to approve the FiT, which will make the project viable. They can be assured that the level of activity at the wind farm site will increase with the presence of the contractors working on the civil works, cable trenches, site surveying, etc.
Query on reports that EBWPC is offering new lease contracts to the landowners and if lump sum payments are for 25 years.	Barangay Captain of Sait	EBWPC confirmed that they are actually approaching the landowners and are negotiating with them the new lease contracts because they want to extend the period of the lease until 2034 (because of the service contract). It was also confirmed that EBWPC are offering lump sum payments for the lease agreement for 25 years.
21 May 2013 Barangay Hall, Poblacion, Ilocos Norte		
Qualifications of the manpower required by EDC?	Barangay LGU	Qualification will be based on the position being applied for, e.g. driving experience for drivers, etc.
Hiring of foot patrol for the wind farm	Barangay LGU	Foot patrol should at least be physically fit; foot patrol in the pasture land will prioritise members of BABA but non-BABA members can also apply as foot patrol in the private land section of the wind farm
How can we assure that benefits entitled to us or the CSR projects will benefit us?	Barangay LGU	Projects/activities to be determined will be based on the needs of the community
How many people will be trained with EDC's signed MOA with Ilocos Norte	Barangay LGU	EBWPC confirmed that 15 representatives from Burgos will be selected. First trainings will be on masonry and carpentry. Schedule of application will be posted and disseminated.
Will EBWPC directly hire participants of the skills training program of CSR?	Barangay LGU	Hiring of workers will be done by its contractors (First Balfour and Vestas) but EBWPC requests its contractors to prioritise hiring of workers from the host communities
16 January 2012 Session Hall, Provincial Capitol		
Three members of the Provincial Council requested EBWPC to support in improving its public education.	Provincial council	EBWPC noted the request and explained about ER 1-94, which include education benefits to host communities
Will EBWPC increase its CSR programs as it starts to generate electricity	Provincial council	The level of activities and commitment are commensurable to the level of activities that EBWPC is able to do and the kind of revenues that is able to generate.

Will the development, ownership, construction, installation, operation and maintenance of the proposed project be done by a wholly-owned direct subsidiary of EDC	Provincial council	The project will be implemented by wholly-owned direct subsidiary of EDC, which is the EBWPC.
Status of the livestock-raisers and their cattle during construction period	Municipal Mayor of Burgos	EBWPC will identify specific area within the pasture land that will not be used for the wind project once the access road design is completed. Only then can EBWPC identify which areas will be allocated for pasture use. Major agreements: 1) Construction sites will be cordoned or fenced off temporarily as a safety and security measure but fencing will not be done at the same time since wind towers will not be constructed simultaneously. 2) EBWPC and its contractor will hire foot patrols from BABA whose main responsibility is to ensure the safety of the cattle owned by its members 3) With hired foot patrols from BABA, it was made clear that BABA will be responsible for any loss or damage to their livestock 4) EBWPC and its contractors will provide insurance, supplies/accessories, etc. for the foot patrols
Area where BABA can continue to use the land for pasture purposes	Municipal Mayor of Burgos	Only about 5000m ² of the 5 ha forage production in Barangay Nagsurot will be used by contractors for their Temporary Facilities. The rest of the pasture land will be available for pasture use.
Safety measures for the livestock	Municipal Mayor of Burgos	Hiring of foot patrol as discussed above BABA and Municipal LGU of Burgos requested EBWPC to provide necessary fencing materials around the pasture area as the need arises, as stipulated in the Joint-Use Agreement. It was agreed that BABA will help in the maintenance of the perimeter fence in the long run because it is the BABA who will be benefited
Areas that will be affected by the construction activities	Municipal Mayor of Burgos	EBWPC and its contractors will restore areas to their old condition that will be affected by the construction activities

B. Consultations during social compliance audit

79. In addition to the above, meetings were conducted with affected persons as part of the social safeguards compliance audit. The key issues raised are summarized in table below, and there were no major issues or concerns raised by the affected persons on the land acquisition and compensation received.

Table 9 Summary of concerns raised during social compliance audit consultations

Issues and concerns	Raised by Stakeholder/ Sector	EBWPC Response
Ms. Velma Cruz Leased 10 hectares of land to EBWPC	Barangay Saoit West of wind farm (closest	Pleased to lease the land because of remote location. Was informed about the project in advance. Think that the Project will bring progress and employment.

	to WTG 17)	Noticed the noise at first but now do not consider it a nuisance.
Mr. Charito Pascua Leased 2 hectares of land to EBWPC	Barangay Saoit West of wind farm (closest to WTG 17)	Pleased to lease the land because can still use it for pasture land following construction. Was informed about the project in advance. Apprehensive about the upcoming wet season as there may be runoff to the rice fields. Concerned that trees which were removed will not be returned as noticed that trees were not cut in advance of the works.
Barangay Captain Glenn Joy Gervacio	Barangay Saoit West of wind farm (closest to WTG 17)	Pleased to lease the land because land was previously not used. Was informed about the project in advance. Concerned about noise, particularly at night-time. Apprehensive about noise during operation. No consultation during construction.
Ireneo Palalay Sr.	Barangay Saoit West of wind farm (closest to WTG 17)	Pleased to lease the land because land was previously not used. Was informed about the project in advance. Concerned about noise, occasionally at night-time. Concerned that trees which were removed will not be returned
Mrs Mayet Agulay	Barangay Nagsurot (New house)	Do not have any concerns as think the house is located far from the Project.
Mr. Richard Calapini	Barangay Poblacion	Was informed about the project in advance. Do not have any concerns.

C. Grievance redressal process

1. Nature of grievances raised by the communities

80. In the absence of a formal grievance redress mechanism, issues or grievances by community stakeholders in the past were addressed or resolved as they come. Prior to 2010, issues or complaints by stakeholders such as the community residents and local officials were raised to EBWPC's Officer-in-charge. Since 2010, the Land Negotiation Team has been handling all issues pertaining to land acquisition. Issues or grievances were mainly on the land acquisition price and the acquisition process.
81. Prior to the start of construction in 2013 and up to present, several issues or complaints were received by the EBWPC, albeit undocumented. Examples of these issues are as follows:

Table 10 Sample grievances prior to construction

Complainant	Nature of Complaint/Grievance	How it was resolved
Local pasture association	• Replacement of the forage production area that had been identified as construction site	• Meeting between livestock-raisers and EDC/FBI together with the LGU officials
	• Identify grazing area for the livestock once construction starts	
Lot owners	• Reasonable land acquisition prices	• Negotiation by the Land Team

Table 11 Sample grievances during construction

Complainant	Nature of Complaint/Grievance	How it was resolved
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Local pasture association	<ul style="list-style-type: none"> • Livestock getting loose because contractors fail to close the gates 	<ul style="list-style-type: none"> • Conveyed to the contractor
	<ul style="list-style-type: none"> • Contractors damaging the pasture fence 	
	<ul style="list-style-type: none"> • Livestock-raisers not allowed entry to the pasture area 	<ul style="list-style-type: none"> • Discussed with Vestas who agreed to allow them entry at the construction site
Lot owners	<ul style="list-style-type: none"> • Cut trees not properly turned-over to the lot owners 	<ul style="list-style-type: none"> • WMD made sure that cut trees were turned-over to the lot owners by coordinating with the contractor
Community residents	<ul style="list-style-type: none"> • Noise caused by drilling and excavation works at night-time 	<ul style="list-style-type: none"> • Complaint not raised by the people to EDC
	<ul style="list-style-type: none"> • Dust caused by the construction activities 	<ul style="list-style-type: none"> • Frequent watering of ground surface to control dust
	<ul style="list-style-type: none"> • Disposal of waste water by the contractor at the construction site affecting the drainage of the nearby houses 	<ul style="list-style-type: none"> • The contractor constructed drainage as demanded by the residents
	<ul style="list-style-type: none"> • Potential flooding caused by siltation in the drainage canal 	<ul style="list-style-type: none"> • Contractor re-excavated the drainage canal and removed the soil and aggregates from the drainage water to avoid flooding, as demanded by the residents.

2. Proposed Grievance Mechanism

82. The EDC Burgos Wind Power Project views that effective grievance mechanisms are an important part of its corporate responsibility to respect human rights. This is embodied in one of the core values of EDC which highlights that each person should be treated with respect regardless of individual differences. As EBWPC commits to building community relations where trust is an integral component, it designed a grievance mechanism that aims to offer communities an effective avenue for expressing concerns and achieve fair remedies, and promote a mutually constructive relationship as the local people and the company find effective solutions together.

1. Receive and Register a Complaint

83. In receiving and registering complaint or grievance, the EBWPC will provide multiple channels where people can express or forward their concerns. The following staff shall be designated to receive and register complaints:
- Community Partner/CSR Team
 - Forester/WMD Team
 - Land Team
 - Security Officer
 - Safety Officer
 - Row Patrol
84. Complainant/s can send their complaint or grievance to EBWPC in the form or a letter or by filling-up the prescribed company form. They can also call or email any of the designated staff directly. Those designated to accept complaints, whether written or oral, shall record them on the grievance log form which is forwarded to the Community Partner as the Grievance Officer for further action. Once a complaint is received by the Grievance Officer, it should be recorded in the complaints log or data system.

85. When a complaint or grievance is received directly by any of the designated staff, he/she shall discuss the complainants' situation with them to gain first-hand understanding of the situation, and explore possible approaches for resolution. It is important during this first step to be sensitive to the way in which the complainant experiences the issue, as such an understanding may be important to achieving a successful outcome in a quick and timely manner.

2. Acknowledge

86. Upon registration, complainants will receive a timely acknowledgement that their case is registered. Acknowledgement shall be communicated in an proper manner, such as a letter, telephone call or a copy of the grievance form. The acknowledgement will include information about the next steps in the process, time frame in which a response can be expected to be in place and contact details of the grievance officer or complaint coordinator, the one responsible in handling the case. This may be done at the time the grievance is received or subsequently.

3. Assess the Grievance

87. Once logged, the grievance team composed of the designated staff will conduct a rapid assessment to verify the nature of the grievance. During the assessment, the team gathers information about the complaint and key issues and concerns and helps determine whether and how the complaint will be resolved. To gather information about the complaint, the following will be done:
- Identify parties involved
 - Clarify issues and concerns raised by the complaint
 - Gather views of the stakeholders, including those of the company (the person or company unit associated with the problem shall be informed that a complaint has been filed and the grievance team will collect information about the complaint from their perspective)
 - Determine initial options that parties have considered and explore various approaches for settlement.
88. The team shall classify the complaint in terms of its seriousness or severity (high, medium, or low) according to specific criteria. The level of severity will determine who needs to be informed, who will manage the case (complaint coordinator) and whether the senior management has to be advised. The complaint coordinator shall be responsible for overseeing a particular grievance.
89. Grievances classified as low may be handled by the designated field personnel whereas grievances ranked as high may have to be handled by the senior management. Issues that are low severity from the point of view of the complainant and the company will be resolved immediately through a fast track process. In principle, EBWPC has bias towards resolving grievances on-the-spot, if such can be resolved informally and rapidly. Whether the resolution process is fast-track or requires a period of time, the EBWPC will employ a strategy that engages the complainant in the assessment and in determining resolution or settlement options.

4. Formulate a Response

90. Once the assessment is complete, EBWPC will provide a response or feedback to the complainant. The company response may suggest an approach on how to settle the issues, or it may also offer a preliminary settlement or proposal. The response may be presented or discussed to the complainant through a meeting with the complaint coordinator, manager or personnel of the relevant company unit, and the complainant. The site manager may participate in feedback, depending upon the seriousness of the complaint. If a direct meeting is not possible a neutral third party may be considered to serve as facilitator.
91. The complainant may accept the proposition, offer an alternative for further discussion, or reject it or consider another dispute resolution process. If the case is complex and a resolution time frame cannot be met, provide an interim response—an oral or written communication—that informs the person of the delay, explains the reasons, and offers a revised date for next steps.

5. Consider recourse or appeal

92. If the complaints are not resolved on the initial attempts, the grievance mechanism incorporates an appeals provision. This covers exceptional cases and should be required infrequently. Several recourse options are described below:
- Elevate the issue to a review committee composed of senior managers to consider whether additional reasonable actions are adequate.
 - Elevate the issue to a review committee consisting of company and community representatives or other stakeholders to consider whether additional reasonable actions are appropriate.
 - Propose the use of an independent mediator agreed upon by both the company and the complainant to facilitate further dialogue
 - Involve a trusted, independent external party to assess the grievance and propose an impartial resolution.
 - Establish a standing appeals committee jointly with the community. The committee should consist of individuals who enjoy credibility with affected communities and are viewed as impartial by both sides.
93. Should the appeals process fail to lead to a mutually acceptable resolution, the complainant should remain free to pursue other avenues of remedy. The final agreement should be specific, time bound and agreed upon by both parties. If not self-executing, it should include a monitoring plan. If the complaint is found to be unsubstantiated, the grievance officer should explain the reasons and may indicate other possible avenues of remedy.

6. Follow up and close out

94. Once a resolution has been agreed or a decision is made to close out, the final stage is to implement the resolution, monitor outcomes and close out the grievance. Monitoring will address problems that arise during implementation. In some cases, adjustments may be necessary to ensure that root causes of complaints are rectified and outcomes are consistent with the spirit of the original agreement.
95. Closing out the grievance occurs after the implementation of an agreed resolution has been verified. Parties may be requested to provide feedback about their level of satisfaction with the grievance handling process and the outcome.
96. Even when an agreement is not reached, it is important to close the case, document the results, and request the parties' evaluation of the process and its outcome.
97. Throughout the process, the EBWPC will adopt a system that will effectively track and monitor grievances in line with its commitment to promote timely and fair resolution of grievances. By doing so, the concerned parties (complainant and relevant company personnel) are constantly informed about the status of the case and the progress being made toward resolution.

D. Information Dissemination Plan

98. An Information, Education, and Communication Campaign plan was crafted with the following objectives in mind – (1) to gain public acceptance of the Burgos Wind Project, (2) to provide the public with balanced information and assist them in understanding the solutions or measures related to the impacts of the project, and (3) to gather feedback from the communities on their issues related to the project and their ideas of alternatives or preferred solution to the problem. The table below summarizes the activities.

Table 12 Information, education, and communication campaign activities

Target Sector	Content/Topics	Strategy/Method
1. Lot owners in Wind Farm	Project description & status Actual impacts & measures Grievance mechanism Reinstatement/ rehabilitation plan	Use of multi-media Group/ Cluster meetings Posters, flyers, and newsletters

	CSR projects and acquisition process	
2. Lot owners in TL areas	Project description & status Land acquisition process Actual impacts & measures Grievance mechanism CSR projects	Use of multi-media Group/ Cluster meetings Posters, flyers, and newsletters
3. Community residents	Project description & status Results of noise study & shadow flicker studies Actual impacts & measures Grievance mechanism	Use of multi-media Group/ Cluster meetings Posters, flyers, and newsletters
4. LGU Officials	Project description & status Actual impacts & measures Reinstatement/ rehabilitation plan Grievance Mechanism CSR projects	Council session/ meetings Consultations Newsletter

E. Plan for continued stakeholder engagement

99. The EBWPC CSR Program aims to contribute in improving the socio-economic condition of host-communities through interventions in education, health, livelihood, and environment. In line with its objective of providing quality education and gainful employment for the youth, EBWPC will implement a dual-strategy on education. One is to upgrade school facilities particularly health and sanitation facilities, having been identified as lacking or needing of improvement in most public schools; and second, to provide manpower training to local youths to enhance their opportunity to gain employment.
100. Livelihood support shall take the form of skills training to build the youth and women's capacities to engage in entrepreneurial activities, thereby increase their income. The three project components are all provided in the Memorandum of Agreement between EBWPC and the Provincial Government of Ilocos Norte which specifies the CSR projects to be implemented by EBWPC over the next three years starting 2013.
101. Meanwhile, the BINHI: Tree for the Future Project, among EBWPC's newest environment-related undertaking, will be introduced to students, teachers, local officials and other community members to create awareness on the need to "rescue and secure" the country's endangered and premium tree species. Planting and growing of these special tree species will be done in school grounds and public parks in Burgos, with the hope of establishing "mother trees" that would later on produce seeds that will be used in future forestation activities. This will also be an avenue to engage DENR and relevant agencies.

1. Installation of Sanitation Facilities in Public Schools

102. As provided in the MOA with the Provincial Government of Ilocos Norte (PGIN) and with the Laoag City Government that were both signed on the first quarter of 2013, EBWPC will install Toilet and Hand-washing Facilities in select public schools in host-LGUs namely Burgos, Pasuquin, Bacarra and Laoag City. Schools found in areas with high poverty incidence will be given priority in identifying school-beneficiaries. Most of these schools have multi-grade classes and are found in interior or relatively remote communities. In the next 3 years, EBWPC will install 67 toilet and hand-washing stations in its host-LGUs.

2. Manpower Skills Development

103. In line with the objective of providing gainful employment for members of the community, EBWPC has designed a program on skills training to ensure that the manpower requirements during the

project's construction phase are sourced from the host-communities. A total of 150 participants will be trained on different courses from 2013-2014.

104. These trainings will focus on the project construction skills requirement (e.g. carpentry, masonry, welding, electrical installation) of the contractors for the wind farm, substation and transmission line namely carpentry, masonry, welding, and electrical installation and maintenance (EIM).

3. Adopt-A-School for K-12 Program

105. Starting mid-2014, EBWPC will explore programs that will contribute in upgrading the learning systems of public secondary schools in order to keep up with the challenges of the K-12 program. Initially, it has identified two public secondary schools needing of support in terms of learning modules development, tools and equipment and teacher's training.

4. Livelihood Skills Training

106. Livelihood skills trainings will be conducted to build the capacities of the local communities to undertake service-oriented or income-generating activities independent of the project. A total of 750 participants are targeted to undergo livelihood skills training in a period of three years. The program as agreed between EBWPC and PGIN and the Laoag City Government is over a three-year period.
107. EBWPC shall identify target communities and assess/determine their needs. The course or topic of training to be provided shall depend on the needs identified per target community. This activity shall be coordinated with government agencies or offices such as the DOLE and the City/Municipal Social Welfare and Development Office to assist in identifying/designing training courses and inviting local trainers from the Department of Trade and Industry and the Technical Education and Skills Development Authority.

5. Local Governance

108. As the host-LGU of the wind project, the Municipal Government of Burgos will receive royalty tax as mandated by the Renewable Energy Law and the Local Government Code. In addition, it will also benefit from a trust fund that is equivalent to one-centavo per kilowatt-hour of electricity produced by the power plant. The trust fund will be used for electrification, development and livelihood, and reforestation projects, among others.
109. The EBWPC strives to build the capabilities of the Burgos LGU to enable them to determine and undertake relevant development programs/projects through judicious utilization of its tax revenues. Workshops on planning and project development/management will be conducted for the local officials.

6. Environment

110. As part of the Binhi Tree for the Future project objective of planting future mother trees of endangered premium species in host school grounds and parks, a tree planting activity shall be conducted at selected school grounds in Burgos.
111. In each school, a simple ceremony with teachers, students and LGU shall be held to include an introduction of EDC/EBWPC and its Binhi program, followed by the tree planting proper. Students shall be informed that the project not only ends in tree planting, but focuses on their role to nurture the seedlings until these become mother trees for future seed sourcing/harvesting, and further proliferation to help secure the vanishing species.

7. Socio-Cultural

112. EBWPC will continue to support community events that will enhance or maintain good relationship with them and/or promote socio-cultural values. Under this program, EBWPC provides support to activities designed to improve delivery of services by the local government

units and to annual social events by the host-communities. Note: EBWPC intends to develop a Health Program for its host-communities. This program will revolve around providing good source of potable water and improving sanitation in the households using sustainable and cost-efficient technologies.

F. Labor and Social Protection Requirements

- 113. Based on discussions with EBWPC, and interactions with the contractors, the audit confirms compliance to the national labor requirements and the internationally recognized core labor standards.

IV. MONITORING, REPORTING, AND EVALUATION ARRANGEMENTS

A. Environment and Social Management and Monitoring

- 114. A compliance monitoring team is formed to ensure implementation of the environment and social management and monitoring plan. The team has four key members on site – the Site Manager, the Pollution Control Officer, the Environment Officer, and the Community Relations Officer. The members all report to the Business Unit Head. The table below describes the responsibilities of each member.

Table 13 Members of compliance monitoring team

Position	Responsibilities
Site Manager	Monitor and update the over-all performance of the project
Pollution Control Officer	Implement environment management-related programs Monitor the project's operation on environment management-related compliance and facilitate necessary actions
Environment Officer	Implement forestry and ecosystem conservation-related programs. Monitor project's compliance to Forest Management Bureau-related permits and its overall impact to the environment, and implement necessary actions
Community Relations Officer	Implement CSR-related activities and monitor community concerns and feedback on the project and its necessary actions

- 115. On the EDC level, various departments were formed to support site-based employees. These departments ensure that best practices are implemented across all sites.
- 116. The Environmental Management Department guides the Pollution Officer and the Environment Officer on ensuring that all environment-related regulatory standards are met. Concerns such as on air, water, noise, shadow flicker, and waste are all consulted with EMD. On the other hand, concerns of the Environment Officer such as on flora, fauna, and reforestation efforts are discussed with WMD. The Community Relations Officer seeks advice from the Corporate and Social Responsibility Department on how to better serve the local communities. The Public Relations Department is tapped on crafting the communication plan to implement the various programs.

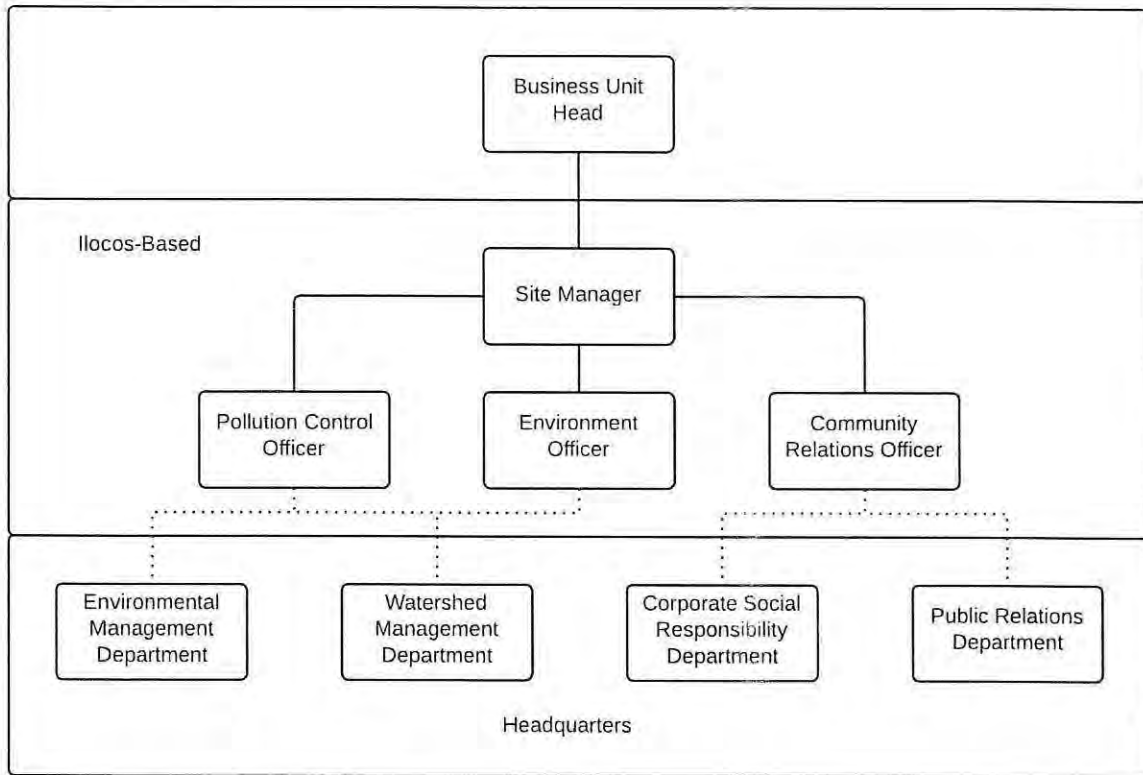


Figure 1 Compliance monitoring team organization chart

V. COMPLIANCE WITH NATIONAL REQUIREMENTS OF PHILIPPINES

117. As part of the safeguards compliance audit, a compliance assessment has been carried out¹⁰ to identify where there may be non-compliance issues pertaining to environment and social requirements which may impair the Project’s safeguards feasibility or result in a risk for EBWPC or potential investors. This assessment is not intended to replace or duplicate any legal assessment being undertaken by the appointed legal counsel.

A. Environmental Compliance Certificate (ECC)

118. The current and fourth amendment of the Consolidated ECC permits a 165 MW wind farm consisting of 55 WTGs with a rated unit capacity of 3 MW to be constructed on the site located at Barangays Saoit, Poblacion, and Nagsurot, Municipality of Burgos, Ilocos Norte. Based on the information provided by EBWPC, the audit confirmed satisfaction that the requirements of the EIS system have been followed in applying for the ECC for the Project.

B. Land use permits

1. Special Land Use Permits/Agreements for the wind farm area

119. Revised Forestry Code (Presidential Decree No. 705). The Revised Forestry Code provides that “no person may utilize, exploit, occupy, possess or conduct any activity within any forest and

¹⁰ Based on the review of the Environmental Performance Report and Management Plan (EPRMP) and other documents that were submitted to the authorities in the Philippines to gain the relevant approvals for the Project.

grazing land, or establish, install, add and operate any wood or forest products processing plant, unless he had been authorized to do under a license agreement, license, lease or permit.”¹⁹ The authority to conduct the aforementioned activities is usually contained in the special land use permit (SLUP).

120. From the 1,296 hectare area of land which is covered by the WESC issued by the DOE, the wind farm and support facilities will be developed in an approximate 618-hectare area. This development block includes both alienable and disposable land and public land (the communal pastureland) area which has an area of 351-hectares and 249-hectares respectively. According to the documentation provided to Parsons Brinckerhoff for review, on 24 October 2008, a 1.44-hectare SLUP (OLP No. 03-2008) was issued by the DENR for the area, which is within the communal pastureland, for the installation of 24 WTG including cable lines for the wind farm. As the awarded area was not sufficient to accommodate the proposed wind energy project, EBWPC applied for a further SLUP to cover the whole area of communal pasture. Initially, a SLUP was applied for the whole 249-hectare pastureland, however, due to the existing tenure and land-uses²⁰, the area was further reduced, hence, the approved area is 219 hectares which includes the previously issued 1.44-hectares SLUP. A Memorandum of Agreement (MOA) dated October 2008 was executed by and between the municipal government of Burgos, Ilocos Norte and EDC for the joint-use of the communal pasture area purposely for Wind Farm and Livestock Breeding/Pasturing in consonance with Municipal Order 2008-070.
121. According to the Comprehensive Development Management Plan (CDMP) which was submitted by EBWPC to the DENR, it was unanimously agreed by EBWPC and DENR evaluation team to apply for FLAg pursuant to DAO 2004-59 rather than the 3-year SLUP. Compliance monitoring was reportedly regularly conducted by Community Environment and Natural Resources Office (CENRO) - Bangui, until the application for conversion into FLAg was filed. Comprehensive performance evaluation is a requirement for FLAg applications. According to the FLAg (reference 01-2012) which was submitted for the audit's review, EBWPC has been granted the right to develop approximately 219 hectares of public forestland located in Barangays Nagsurot and Poblacion for a wind energy project for a period of twenty-two (22) years, to expire on 10 January 2034. The agreement is renewable for a period of twenty-five (25) years. Permission to harvest 202 trees of various species and specified size was granted and earth-balling of fifty (50) trees was granted. Amongst other agreement conditions, EBWPC is required to submit a CDMP to the DENR by July 2012. Due to the Project design changes, the comprehensive development and management plan was submitted to the DENR on April 2013.

2. Transmission line

122. The 115-kV transmission line will traverse a total of 42 kilometers, and will be supported by 127 lattice-type transmission towers and 20 steel poles. Of the total 147 structures, only 18 lattice-type transmission towers will be located within the forestland (4 of these structures will be located in the Municipality of Burgos, 13 structures will be in the Municipality of Pagudpud and one (1) structure will be located on the riverbank of the Bacarra River.
123. In 2005, a SLUP was issued for the transmission line (reference: SLUP FMS-OLP-No. 02) and subsequently renewed in 2008 (reference: SLUP OLP-2008-001) for areas of land 23.92-hectares and 25.44-hectares respectively. Compliance monitoring was regularly conducted by CENRO-Bangui until the application for a FLAg was filed.
124. The audit understands that EBWPC applied to the DENR for a FLAg in June 2010 which was approved on 13 August 2012 for the 18 towers proposed to be located in forest land (FLAg No. 04-2012). For the private land, long-term lease agreements have been arranged with the current landtitle holders. During the site validation conducted by the composite team of DENR Region 1 for the FLAg in 2012, it was found that part of the transmission line easement overlaps with the Certificate of Stewardship Contract (CSC) area, hence, compensation for the affected crops of CSC holders have been provided by the Project.
125. According to the CDMP for the transmission line, it was also recognized during the site evaluation that the proposed alignment of the transmission line overlapped with certain portions of the area

covered by an application for a Mineral Production Sharing Agreement (MPSA) of Northwest Philippines Development Corp., denominated as APSA No. 213. In line with this, EBWPC reportedly has a pending request with the DENR's Mines and Geosciences Bureau to exclude the areas covered by the Project's transmission line route from the areas that will be granted, if ever, under any Mineral Production Sharing Agreement or exploration permit and exploration applications.

126. EBWPC has received a permit from the Philippine Coconut Authority which states that there are no fruit-bearing coconut trees within the 109 parcels of private agricultural land covering 225 hectares where the Project will be located. In addition, the audit team confirmed from EBWPC that they provided assistance to private landowners to apply for a private land timber permit. This permit will allow the contractor on behalf of the land owner to cut and gather naturally grown trees on the land. The trees will then be given to the land owner.

C. Land rights

127. Legislation: Agricultural Land Reform Code (RA3844); An Act to facilitate the acquisition of right-of-way, site or location for national government infrastructure projects and for other purposes (RA 8974) and its the IRR; The 1987 Philippine Constitution; Indigenous Peoples' Rights Act (RA 8371) otherwise known as the

1. Land leasing

128. In order to legally occupy the land for the Project, EBWPC advised the audit team that long-term lease agreements were arranged with the current land-title holder(s). EBWPC further advised that in cases where the lease agreement could not be executed, EBWPC requested the DOE to exercise the power of eminent domain of the Philippine government to acquire rights over the land required for the Project. In accordance with the legislation in the Philippines, the DOE is required to follow the appropriate steps and processes in the filing of the individual cases. Accordingly, only after the exhaustion of all possible modes of land acquisition is the DOE able to exercise the Government's right of eminent domain. EBWPC has advised that the DOE has filed expropriation cases to acquire leasehold rights only, and that the ownership of the land will be retained by the current landowner(s).
129. Based on information provided by EBWPC, aside from granting the exclusive right to explore, develop and utilize wind energy in the contract areas under the WESC, the contract also requires the DOE to provide assistance to EBWPC, "...including the exercise of the power of eminent domain if necessary, to secure such necessary or proper rights at such costs for the account of the Renewable Energy Developer [EBWPC] if the Renewable Energy Developer is unable to secure such rights at commercially reasonable costs through negotiations or if the same is the most expedient course of action to support the timely execution of exploration or development". The audit has not identified any non-compliance within the scope of this environmental due diligence and based on the information provided for review.
130. According to the information provided by EBWPC, most of the leases for the land have been secured via expropriation, however, this has been mainly due to ease of transaction for the land owner and EBWPC, rather than unwillingness of the land owner to lease the land.

2. Resettlement

131. EBWPC has advised that although potential resettlement was discussed with the residents of the properties located in the wind farm development area and to the west of the wind farm, the occupants were not interested in relocating. Records of this consultation were not maintained. Parsons Brinckerhoff did not meet any project-affected people (PAP) during the site visit who wanted to relocate

132. The 1987 Philippine Constitution requires that no person shall be deprived of life, liberty or property without due process of law, nor shall any person be denied equal protection of the law. Private property shall not be taken for public use without just compensation. Urban or poor dwellers shall not be evicted nor dwellings demolished, except in accordance with the law and in a just and humane manner. No resettlement of urban or rural dwellers shall be undertaken without adequate consultation and the communities where they are to be relocated. EBWPC has further advised that should PAPs later wish to relocate, proper procedure and process will be followed prior to relocating, including identifying the compensation package for the PAPs.

3. Indigenous Peoples

133. **Republic Act No. 8371, otherwise known as the “Indigenous Peoples’ Rights Act” (IPRA):** The IPRA enjoins government department and agencies from issuing, renewing, or granting any concession, license or lease, or entering into any production sharing agreement, without prior certification from the National Commission on Indigenous Peoples (NCIP) that the area affected does not overlap with any ancestral domain.
134. Furthermore, it provides that such certification shall not be issued without the free and prior informed and written consent of the indigenous cultural communities or indigenous people concerned. The indigenous cultural communities/indigenous people shall determine for themselves the policies, development programs, projects and plans to meet their identified priority needs and concerns. The right to accept or reject a certain development intervention in their particular communities shall be based on the prerogative of the indigenous cultural communities/indigenous people.
135. The consent of the indigenous cultural communities /indigenous people is contained in a Free and Prior Informed Consent (FPIC) certificate. Pursuant to the FPIC, a memorandum of agreement shall executed between the project proponent and the indigenous cultural communities/indigenous people.
136. According to the documentation provided by EBWPC for the Project, there are no indigenous people on the land where the wind farm and the transmission line are located.
137. The following certificates of non-overlap (CNO) for the wind farm was issued by the NCIP and provided for the audit’s review:
- 10 October 2007 (reference: R1-PPO-CNO-07-10-26) for 1.44 hectares.
 - 21 October 2009 (reference: R1-INPO-CNO-2009-10-21) for 274 hectares (i.e. the public land, including the land covered by the FLAg).
 - 1 October 2007 (no reference provided) for the transmission line right-of-way (phase 1) located along the Municipalities of Bacarra, Pasuquin and Burgos.
138. No effects or overlap issues with ancestral domain were identified in the CNOs.

D. Summary

139. Based on the documentation provided by EBWPC and the review of the compliance to the local and national legislation on land, resettlement and indigenous peoples, applicable to the Project, the audit confirmed that EBWPC is fully compliant with the national requirements, and has not identified any non-compliance issues related to national requirements on land acquisition and resettlement.

VI. COMPARISON OF EBWPC PROCESSES WITH ADB IR AND IP POLICIES

A. Assessment of the Project against ADB’s Safeguards Requirements 2: Involuntary resettlement

140. The social safeguards compliance audit reviewed the land acquisition process adopted by the Project against the requirements of the ADBs involuntary resettlement safeguards indicated in the ADB’s SPS, 2009. The assessment is presented below.

1 - Compensation, assistance and benefits for displaced persons

<p>ADB involuntary resettlement requirement:</p>	<p>Displaced persons in a project area could be of three types: (i) persons with formal legal rights to land lost in its entirety or in part; (ii) persons who lost the land they occupy in its entirety or in part who have no formal legal rights to such land, but who have claims to such lands that are recognized or recognizable under national laws; and (iii) persons who lost the land they occupy in its entirety or in part who have neither formal legal rights nor recognized or recognizable claims to such land. The involuntary resettlement requirements apply to all three types of displaced persons.</p>
<p>How this is addressed by the Burgos Wind Farm Project:</p>	<p>Legal right to use the land is required for the wind farm development area and for the transmission towers. Right of way is required for the transmission line alignment.</p> <p>Private land: 25 year lease agreements, or expropriation where these could not be negotiated</p> <p>In order to legally occupy the land for the Project, EBWPC advised Parsons Brinckerhoff that long-term lease agreements have been arranged with the majority of current land-title holder(s) for land which is required for the Project (i.e. for the wind farm and for the transmission towers). Notably, the land will be leased for 25 years and following construction, the land-title holder will be able to access and use the majority of the land for pasture/current activities.</p> <p>EBWPC further advised that in cases where the lease agreement could not be executed, EBWPC has requested the Department of Energy (DOE) to exercise the power of eminent domain of the Philippine government to acquire rights over the land required for the Project. In accordance with the legislation in the Philippines, the DOE is required to follow the appropriate steps and processes in the filing of the individual cases. Accordingly, only after the exhaustion of all other modes of land acquisition will the DOE be able to exercise the Government’s right of eminent domain. EBWPC has advised that the DOE has filed expropriation cases to acquire leasehold rights only and that the ownership of the land will be retained by the current landowner(s).</p> <p>Based on information from EBWPC, whilst all land leases have been obtained for the wind farm and for the transmission towers, expropriation in accordance with the legislative process in the Philippines is in an advanced stage of completion for the transmission line right-of-way, with most of these lots covered by a former land lease agreement which was subsequently determined to be invalid for various reasons, such as only one spouse had signed the paperwork.</p> <p>Notably, the land required for the Project does not comprise the current land title owner’s main</p> <p>land lot. The land owners generally live in properties between 200 m and 1 km from the wind farm development area. During Parsons Brinckerhoff’s site visit at the Project planning stage (i.e. in April 2012), it was found that the land in the wind farm development area was undeveloped and generally not used for any specific purpose. The land lots were not marked with fencing and minimal cattle were grazing the land and were not retained within any specific land lot. Crops were located along certain parts of the proposed transmission alignment.</p> <p>Public land: Joint use as pasture land and wind farm</p> <p>At the project planning stage, EBWPC identified that the wind farm development area</p>

	would include 249 hectares of public land, of which 219 hectares was used as communal pasture land. A Memorandum of Agreement (MOA) dated October 2008 was executed by and between the municipal government of Burgos, Ilocos Norte and EDC for the joint-use of the communal pasture area purposely for Wind Farm and Livestock Breeding/ Pasturing in consonance with Municipal Order 2008-070.
Parsons Brinckerhoff's compliance assessment:	<p>The ADB's involuntary resettlement safeguard requirements apply to the Project based on economic displacement (loss of land, assets, access to assets, income sources, or means of livelihoods) as a result of obtaining the long-term lease agreements for the land.</p> <p>Land lots have not been acquired permanently through sales or expropriation. Instead, 25-year leases agreements have been negotiated with the current land title holders or have been obtained via expropriation with the assistance of the DOE.</p> <p>The land which is being leased does not comprise the land owners' main land lots where their residential properties are located.</p> <p>As minimal land will be used for the footprint of the Project and displaced persons will retain the ownership of the land, the impacts related to involuntary resettlement are considered to be less significant, however; there are issues which require management to minimize impacts to affected persons, and the ADB's safeguards apply.</p>

2 - Compensation, assistance and benefits for displaced persons

ADB involuntary resettlement requirement:	<p>The borrower/client will provide adequate and appropriate replacement land and structures or cash compensation at full replacement cost for lost land and structures, adequate compensation for partially damaged structures, and relocation assistance, if applicable, to those persons described in para. 7(i) and 7(ii) prior to their relocation.</p> <p>For those persons described in para. 7(iii), the borrower/client will compensate them for the loss of assets other than land, such as dwellings, and also for other improvements to the land, at full replacement cost. The entitlements of those under para. 7(iii) is given only if they occupied the land or structures in the project area prior to the cutoff date for eligibility for resettlement assistance.</p>
How this is addressed by the Burgos Wind Farm Project:	<p>Private land: 25 year lease agreements, or expropriation where these could not be negotiated</p> <p>Physical relocation of affected persons is not currently required for the Project. Cash compensation has been provided under 25-year lease agreements in order for EBWPC to use the land for the Project.</p> <p>Public land: Joint use as pasture land and wind farm</p> <p>Pasture users are classified as affected persons described in para. 7(iii) (i.e. persons who lost the land they occupy in its entirety or in part who have neither formal legal rights nor recognized or recognizable claims to such land). As detailed above, joint-use of the communal pasture area purposely for Wind Farm and Livestock Breeding/ Pasturing was agreed in advance of the Project. A number of schemes have been coordinated by EBWPC in order to develop the pasture farming activities, such as assisting the formulation of the pasture committee, planting of feedstock, construction of a shallow well etc.</p>
Parsons Brinckerhoff's compliance assessment:	<p>According to EBWPC, physical relocation of affected persons is not currently required for the Project.</p> <p>A formal grievance management system is not in place. During the site visits in April 2012 and July 2014, Parsons Brinckerhoff did not identify any grievances related to involuntary resettlement and payment of adequate compensation for the impacted lands and assets.</p>

	The site visits also confirmed that the affected persons had options of negotiating with EBWPC on the compensation amounts.
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3 - Compensation, assistance and benefits for displaced persons

ADB involuntary resettlement requirement:	Preference will be given to land-based resettlement strategies for displaced persons whose livelihoods are land-based. These strategies may include resettlement on public land, or on private land acquired or purchased for resettlement. Whenever replacement land is offered, displaced persons are provided with land for which a combination of productive potential, locational advantages, and other factors is at least equivalent to the advantages of the land taken. If land is not the preferred option of the displaced persons, or sufficient land is not available at a reasonable price, non-land-based options built around opportunities for employment or self-employment should be provided in addition to cash compensation for land and other assets lost. The lack of land will be demonstrated and documented to the satisfaction of ADB.
How this is addressed by the Burgos Wind Farm Project:	<p>According to EBWPC, physical relocation of affected persons is not currently required for the Project. EBWPC has advised that if physical relocation of affected persons is required later (e.g. for operation noise compliance or shadow flicker), relocation will be undertaken with the applicable policies and legislation at that time and in line with the SPS requirements.</p> <p>The private lands which have been leased from the current land title holders for the wind farm development area was not used for agricultural land, and was not considered to be used as an income source.</p> <p>Some of the land which has been leased for the transmission towers was used as agricultural land, however, the footprint of the towers is small and agricultural activities can be undertaken around the towers.</p> <p>Pasture users are classified as affected persons whose livelihoods are land-based. During the discussion with the pasture users in July 2014, it was established that some of them also have other forms of employment/self-employment and in general do not rely solely on income from livestock. Joint-use of the communal pasture area for Wind Farm and Livestock Breeding/ Pasturing was agreed in advance of the Project. Hence, the pasture users can be considered to be only partially displaced during some of the construction activities. Land has been designated for feedstock harvesting and pasture activities are continuing.</p>
Parsons Brinckerhoff's assessment:	<p>According to EBWPC, physical relocation of affected persons is not currently required for the Project.</p> <p>Private land title holders for the wind farm are not considered to have land-based livelihoods which have been affected by the Project. Some of the private land title holders for the transmission towers have land-based livelihoods (e.g. rice, corn garlic harvesting), however, the footprint of the towers is small and agricultural activities can be undertaken around the towers. EBWPC and First Balfour advised that crops removed or damaged during construction of the transmission towers have been compensated in accordance with the legislation in the Philippines.</p> <p>Based on the July 2014 site visit, Parsons Brinckerhoff considers that EBWPC and Vestas are allowing adequate access to pasture land during construction.</p>

4 - Compensation, assistance and benefits for displaced persons

<p>ADB involuntary resettlement requirement:</p>	<p>The rate of compensation for acquired housing, land and other assets will be calculated at full replacement costs. The calculation of full replacement cost will be based on the following elements: (i) fair market value; (ii) transaction costs; (iii) interest accrued, (iv) transitional and restoration costs; and (v) other applicable payments, if any. Where market conditions are absent or in a formative stage, the borrower/client will consult with the displaced persons and host populations to obtain adequate information about recent land transactions, land value by types, land titles, land use, cropping patterns and crop production, availability of land in the project area and region, and other related information. The borrower/client will also collect baseline data on housing, house types, and construction materials. Qualified and experienced experts will undertake the valuation of acquired assets. In applying this method of valuation, depreciation of structures and assets should not be taken into account.</p>
<p>How this is addressed by the Burgos Wind Farm Project:</p>	<p>Land titles</p> <p>Based on information provided by EBWPC, 25-year land lease agreements have been negotiated by EBWPC with the land title holders of the land for the wind farm development area and the transmission towers. BBWPC has negotiated 25-year agreements for right-of- for the transmission line alignment. The payment was one lump sum payment to the land title holder. The land negotiation process was in accordance with RA 8974 <i>An Act to Facilitate the Acquisition of Right-of-way, Site or Location for National Government Infrastructure Projects and For Other Purposes</i> <http://www.lawphil.net/statutes/repacts/ra2000/ra_8974_2000.html>, and as follows:</p> <ol style="list-style-type: none"> I. Technical team provided the affected lots of the project site. II. Research and verification stage conducted by documentation/land negotiation: <ol style="list-style-type: none"> 1. Obtained ownership documents in the Assessor's Office, if titled land was in the Register of Deeds. 2. Obtained certificate of trace back in the Assessor's Office 3. Verified status of landowners (name, address, whether alive or deceased) and secured other ownership documents from landowner/s III. Negotiation conducted by land negotiator/s <ol style="list-style-type: none"> 1. Prepared letter offer and negotiate with the landowner to acquire lease and/or easement of right of way 2. Basis of offer was the assessed value of the lot from the Assessor's Office and based on the zonal valuation. The zonal valuation is based on a sale price, however, the 25-year leases are advised by EBWPC to be based on the sale price (i.e. zonal valuation sale price was applied as the lump sum payment for a 25 year lease). 3. Observed reasonable period (15 calendar days from receipt of the letter) 4. If the landowner accepted the price offer, the negotiator and the landowner set dates to complete the documents and arrange the schedule for payment and signing of the contract. 5. Further negotiations with the land owners were sometimes needed in cases where the land owner requested for compensation higher than the price offer. The EBWPC land team recommended the payment of compensation and execution of a lease contract if the negotiation reached an acceptable amount of compensation. 6. In cases where the landowner refused to lease the land or insisted on an unreasonable compensation, and EBWPC had exhausted all possible remedies to negotiate with the landowner to accede to the request to lease the land, the EBWPC land team recommended the expropriation of the land and provided the

	<p>land ownership documents to the DOE. The EBWPC land team continued to assist the DOE in the expropriation proceedings in the court.</p> <p>IV. Endorsement to Department of Energy (DOE)</p> <ol style="list-style-type: none"> 1. DOE prepared and sent the letter offer 2. Basis of the offer was the Bureau of Internal Revenue (BIR) zonal valuation of the subject lot <http://www.bir.gov.ph/index.php/zonal-values.html> 3. Observed reasonable period (165 calendar days from receipt of letter) <p>V. Endorsement to Office of the Solicitor General (OSG) for preparation and filing of expropriation</p> <ol style="list-style-type: none"> 1. Prepared the expropriation complaint, endorsed to DOE for signature and filing of complaint in court <p>VI. Expropriation Trial Stage</p> <ol style="list-style-type: none"> 1. Court served summons and subsequently set the case for hearing for issuance of writ of possession and order of expropriation. <p>Parsons Brinckerhoff note that the land title holders interviewed during the July site visit confirmed that they had received lump sum compensation for the 25-year lease agreement.</p> <p>According to the information provided by EBWPC, most of the leases for the land have been secured via expropriation, however, this has been mainly due to ease of transaction for the land owner and EBWPC, rather than unwillingness of the land owner to lease the land.</p> <p>Structures</p> <p>As noted above, no structures were required to be demolished or have been directly impacted for implementation of the Project (i.e. wind farm or transmission towers).</p> <p>Trees</p> <p>EBWPC advised that trees which are on the land lots where WTGs are located have been removed as part of the construction phase. Trees have been compensated to the land title holders in accordance with the DENR requirements. Selected payment records were reviewed by Parsons Brinckerhoff and based on the records, payment has been made. Notably, it was intended for the trees which were cut to be returned to the land title holder for domestic use. At the time of Parsons Brinckerhoff's site visit in July 2014, there were trees that still have to be returned. Parsons Brinckerhoff noted that trees were stored at the wind farm development area ready for onward transfer.</p> <p>Crops</p> <p>EBWPC advised that crops which were on the land lots where transmission towers are located, or have been affected by the establishment of the right-of-way have been compensated by First Balfour, in accordance with the DENR requirements.</p>
<p>Parsons Brinckerhoff's assessment:</p>	<p>Based on the information provided by EBWPC, land, trees and crops have been compensated to affected persons, for loss of lands, structures, trees and other assets. The audit was informed that there were provisions of negotiations on the compensation amounts which enabled the affected persons to receive compensations higher than what is required in accordance with the legislation in the Philippines. Further, the land acquisition strategy of EBWPC to allow the landowners continue their existing uses.</p>

5 - Compensation, assistance and benefits for displaced persons

<p>ADB involuntary</p>	<p>In the case of physically displaced persons, the borrower/client will provide (i) relocation assistance, secured tenure to relocation land, better housing at resettlement sites with</p>
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resettlement requirement:	comparable access to employment and production opportunities, and civic infrastructure and community services as required; (ii) transitional support and development assistance, such as land development, credit facilities, training, or employment opportunities; and (iii) opportunities to derive appropriate development benefits from the project.
How this is addressed by the Burgos Wind Farm Project:	<p>The following legislation is applicable in the Philippines for relocation of physically displaced persons:</p> <ul style="list-style-type: none"> o The 1987 Philippine Constitution (Article II, Section 10-11; Article III, Section 9 and 11) RA 8947: An Act to Facilitate Right-of-Way, Site or Location for National Government o Infrastructure Projects and for Other Purposes of 2000 <p>According to EBWPC, no people will be physically displaced for implementation of the Project as no persons reside permanently within the wind farm development area.</p> <p>Although the assessment undertaken to obtain the environmental compliance certificate (ECC) in the Philippines, showed that the project could comply with the noise standards, the ESIA which was undertaken later to attain better compliance with the IFC standards. The ESIA noise modelling showed that there may be exceedances of the noise limits at properties outside the wind farm boundary. The differences in the results were due to different modelling and application of guidelines (no guidance is provided under the noise standards applicable in the Philippines). Modeling results still has to be verified. Depending on the results, additional mitigation may be considered.</p> <p>Similarly, the consideration of shadow flicker was not required to obtain the ECC in the Philippines but was considered as part of the ESIA. In the absence of limits in the Philippines, the results were compared to those applicable in Australia (i.e. the Draft National Wind Farm Development Guidelines for Australia, 2010). Modeling results still have to be verified. Depending on the results, additional mitigation may be considered.</p>
Parsons Brinckerhoff's assessment:	While physical relocation of affected persons is not triggered currently, EBWPC has advised that if relocation of affected persons is required later, relocation will be undertaken with the applicable policies and legislation at that time and in line with the SPS requirements.

6 - Compensation, assistance and benefits for displaced persons

ADB involuntary resettlement requirement:	In the case of economically displaced persons, regardless of whether or not they are physically displaced, the borrower/client will promptly compensate for the loss of income or livelihood sources at full replacement cost. The borrower/client will also provide assistance such as credit facilities, training, and employment opportunities so that they can improve, or at least restore, their income-earning capacity, production levels, and standards of living to pre-displacement levels. The borrower/client will also provide opportunities to displaced persons to derive appropriate development benefits from the project. The borrower/client will compensate economically displaced people under paragraph 7(iii) for lost assets such as crops, irrigation infrastructure, and other improvements made to the land (but not for the land) at full replacement cost. In cases where land acquisition affects commercial structures, affected business owners are entitled to (i) the costs of re-establishing commercial activities elsewhere; (ii) the net income lost during the transition period; and (iii) the costs of transferring and reinstalling plant, machinery, or other equipment. Business owners with legal rights or recognized or recognizable claims to land where they carry out commercial activities are entitled to replacement property of equal or greater value or cash compensation at full replacement cost.
How this is addressed by the Burgos	Commercial establishments, such as those at the end of the Kapurpurawan Road leading to the

<p>Wind Farm Project:</p>	<p>Kapurpurawan Rock Formation will not be affected by the Project.</p> <p>At the project planning stage, EBWPC identified that the wind farm development area would include 249 hectares of public land, of which 219 hectares was used as communal pasture land. A Memorandum of Agreement (MOA) dated October 2008 was executed by and between the municipal government of Burgos, Ilocos Norte and EDC for the joint-use of the communal pasture area purposely for Wind Farm and Livestock Breeding/ Pasturing in consonance with Municipal Order 2008-070.</p> <p>In 2010, EBWPC initiated a Pasture Development Project in response to the assessment study indicating the need to revitalize the Burgos communal pasture area hosting the then proposed</p> <p>86 MW Burgos Wind Project. The Pasture Development Project aims to improve the economic condition of the local livestock raisers who are utilizing the pasture area. This was also part of EBWPC's commitment to the local government of Burgos embodied in the MOA.</p> <p>From 2010 to 2011, EBWPC carried out the clearing and development of six-hectares of the area of which there were a five hectare and a one hectare site used for forage production (i.e. different grass species planted to feed the cattle-breeders owned by the local livestock raisers) and one hectare for cattle fattening. These livestock raisers are organized under the BABA which also takes part in the maintenance and development of the Burgos Communal Pasture.</p> <p>According to the 2013 EPRMP, BABA was formally established in the first quarter of 2012 to represent the livestock raisers who serve as the main beneficiary of EBWPC's Pasture Development Project. The organization of BABA was initiated by members of the APN-BSP Livestock Raisers Association which was then struggling to survive, having no major activity from the period 1993–2010. By the end of 2011, the remaining 18 active members from the original 40 members decided to apply for registration with the Department of Labor and Employment under a new name to represent a broader constituent of Burgos community.</p> <p>As a newly-established organization, BABA needed technical and organizational assistance from EBWPC to develop their capacities in enhancing and managing the pasture land, namely:</p> <ul style="list-style-type: none"> (a) Erection and repair of site perimeter fence (b) Registration of BABA to the Department of Labor and Employment (c) Accreditation of BABA by the Burgos Municipal Council (d) Opening of bank account (e) Election of BABA officers during its General Assembly on 22 April 2012 (f) Application for registration to the Bureau of Internal Revenue (g) Conduct of Leadership Training Seminar on 22 July 2012 (h) Basic bookkeeping (half-day) session for select officers <p>According to the EPRMP, at the time of writing that report, BABA had 67 members and it was estimated that the members owned a total of 180 cattle that utilized the 272-hectare communal pasture in Burgos. During the July 2014 site visit, Parsons Brinckerhoff was advised that cattle numbers had reduced to 150 (reduction not related to construction).</p> <p>According to the EPRMP, in 2012, the challenge was to ensure that the initiatives in the past two (2) years were sustained by the BABA with the support of the local government of Burgos. In line with this, in collaboration with the BABA, EBWPC carried out clearing/weeding, replanting of grasses, fertilizer application and repair of fence, were conducted. Also included in the maintenance activity is the installation of shallow well and</p>
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	<p>a jetmatic pump to address the problem of inadequate water supply during dry season. This will likewise be used to provide drinking water to cattle-fatteners and breeders owned by the members for summer months.</p> <p>As identified during Parsons Brinckerhoff's site visit in July 2014, grazing is allowed to be undertaken during construction outside the main work areas. Technical assistance has been extended to BABA by facilitating discussion with Vestas, the main contractor of EBWPC for the wind project. Technical assistance was undertaken to hire BABA members as foot patrol whose task is mainly to ensure the safety of the livestock during construction activities. This is in line with EBWPC's commitment with BABA to ensure that the livestock-raisers' livelihood will not be harmed during construction. There are now six BABA members working full-time as foot patrol at the wind farm, while three members serve as relievers.</p> <p>A new one hectare site has been developed for forage production as the grasses on the five hectares previously planted had been cut and the area was been used for construction activities.</p> <p>According to the ESIA, progressive rehabilitation (such as planting of grass and shrubs) over exposed areas will be implemented to mitigate impacts on forestland vegetation and wildlife habitat which will be affected during earthwork and construction activities. EBWPC will develop conservation plan and landscaping scheme in accordance with the project development plan.</p> <p>During the operation phase, EBWPC will rehabilitate the pasture land and develop new forage production areas as part of its commitment to restore the area to its original use and provide for mutually beneficial use of the livestock raising and wind farm operation.</p> <p>In addition to the above, one of the ECC conditions was for preference to be given to locals for employment. The contract documentation between EBWPC and Vestas/First Balfour specifies that the contractor must implement a "local hiring policy", however, Parsons Brinckerhoff does not have any information on how this was implemented. It is noted that several members of BABA are employed during the construction works.</p>
<p>Parsons Brinckerhoff's assessment:</p>	<p>The MOA has been executed through consultation with the stakeholders, which included conditions specific to the establishment of alternative pasture land and hiring of foot patrol to protect the livestock. The pasture users are only considered to be temporarily displaced during some of the construction works, however, Parsons Brinckerhoff considers that the livelihoods of the pasture users are generally better than pre-Project.</p> <p>Parsons Brinckerhoff recommends that a management plan is put in place to establish who the pasture users are; a summary of the impacts; activities undertaken; activities planned; and monitoring of economic welfare of this group of people.</p>

7 - Compensation, assistance and benefits for displaced persons

<p>ADB involuntary resettlement requirement:</p>	<p>Involuntary resettlement should be conceived of and executed as part of a development project or program. In this regard, the best strategy is to provide displaced persons with opportunities to share project benefits in addition to providing compensation and resettlement assistance.</p> <p>Such opportunities would help prevent impoverishment among affected persons, and also help meet the ethical demand for development interventions to spread development benefits widely. Therefore borrowers/clients are encouraged to ascertain specific opportunities for engaging affected persons as project beneficiaries and to discuss how to spread such opportunities as widely as possible among affected persons in the resettlement plan.</p>
<p>How this is addressed by the Burgos</p>	<p>Physical relocation of affected persons is not currently required for the Project. EBWPC has advised that if relocation of affected persons is required later (e.g. for operation noise compliance or shadow flicker), relocation will be undertaken with the applicable policies</p>

Wind Farm Project:	<p>and legislation at that time and in line with the SPS requirements.</p> <p>Economically displaced persons (i.e. users of the pasture land) are discussed in the response to involuntary resettlement safeguard 6.</p> <p>Other affected persons include those living in the host communities, who may be affected by construction and operation related impacts. A social development plan (SDP) was prepared in partnership with the host communities who assisted in identifying community programs and projects through needs assessment. The SDP focuses on six key areas to include livelihood, health, education, environment, culture, and infrastructure development.</p>
Parsons Brinckerhoff's assessment:	<p>No physical resettlement is currently required for the Project.</p> <p>EBWPC has advised that if relocation of affected persons is required later, relocation will be undertaken with the applicable policies and legislation at that time and in line with the SPS requirements.</p>

8 - Compensation, assistance and benefits for displaced persons

ADB involuntary resettlement requirement:	<p>The borrower/client will ensure that no physical displacement or economic displacement will occur until (i) compensation at full replacement cost has been paid to each displaced person for project components or sections that are ready to be constructed; (ii) other entitlements listed in the resettlement plan have been provided to displaced persons; and (iii) a comprehensive income and livelihood rehabilitation program, supported by an adequate budget, is in place to help displaced persons improve, or at least restore, their incomes and livelihoods. While compensation is required to be paid before displacement, full implementation of the</p> <p>resettlement plan might take longer. If project activities restrict land use or access to legally designated parks and protected areas, such restrictions will be imposed in accordance with the</p> <p>timetable outlined in the resettlement plan agreed between the borrower/client and ADB.</p>
How this is addressed by the Burgos Wind Farm Project:	<p>Physical relocation of affected persons is not currently required for the Project.</p> <p>Economic displacement includes the use of the land which is been legally obtained by the lease agreements from the private land owners.</p> <p>Cash compensation has been provided under 25-year lease agreements in order for EBWPC to use the land for the Project. Most payments were issued in advance of the commencement of construction.</p> <p>EBWPC has advised that there are ongoing payments that have to be finalized. According to EBWPC, the land title holders were requested to sign a letter indicating the agreement. A sample of signed letter was provided to Parsons Brinckerhoff for review.</p>
Parsons Brinckerhoff's assessment:	<p>No physical resettlement is currently required for the Project.</p> <p>The construction of the transmission line commenced in advance of some of the land title owners affected by the sail-over (i.e. the transmission line alignment) receiving the cash compensation for the land lease agreements. According to EBWPC, agreement was obtained for construction commencement pending the payment in a signed letter. The audit recommends EBWPC to continue the legal assistance provided to the landowners to ensure early payments of compensation.</p> <p>During the site visits in April 2012 and July 2014, Parsons Brinckerhoff did not identify any grievances related to involuntary resettlement.</p>

9 - Social Impact Assessment

<p>ADB involuntary resettlement requirement:</p>	<p>The borrower/client will conduct socioeconomic survey(s) and a census, with appropriate socioeconomic baseline data to identify all persons who will be displaced by the project and to assess the project's socioeconomic impacts on them. For this purpose, normally a cut-off date will be established by the host government procedures. In the absence of such procedures, the borrower/client will establish a cut-off date for eligibility. Information regarding the cutoff date will be documented and disseminated throughout the project area. The social impact assessment (SIA) report will include (i) identified past, present and future potential social impacts, (ii) an inventory of displaced persons² and their assets³, (iii) an assessment of their income and livelihoods, and (iv) gender-disaggregated information pertaining to the economic and sociocultural conditions of displaced persons. The project's potential social impacts and risks will be assessed against the requirements presented in this document and applicable laws and regulations of the jurisdictions in which the project operates that pertain to involuntary resettlement matters, including host country obligations under international law.</p> <p>Note 2: A population record of all displaced persons by their residence based on the census. If a census is not conducted prior to project appraisal and the resettlement plan is based on a sample survey, an updated resettlement plan will be prepared based on a census of displaced persons after the detailed measurement survey has been completed but before any land acquisition for the project.</p> <p>Note 3: The asset inventory is a preliminary record of affected or lost assets at the household, enterprise, or community level.</p>
<p>How this is addressed by the Burgos Wind Farm Project:</p>	<p>As part of the 2010 EPRMP, a total of the 149 properties were identified within 700 m of the proposed wind farm site; the households within 700 m were located in within the Barangays of Saoit and Nagsurot. A total of 105 of the identified properties were surveyed (the remaining residents reportedly declined to partake in the survey).</p>
<p>Parsons Brinckerhoff's assessment:</p>	<p>A more detailed baseline study and assessment would be expected to be undertaken to fully comply with the ADB safeguards, especially for the landowners subject to material impacts due to loss of agricultural lands for the transmission towers.</p>

10 - Social Impact Assessment

<p>ADB involuntary resettlement requirement:</p>	<p>As part of the social impact assessment, the borrower/client will identify individuals and groups who may be differentially or disproportionately affected by the project because of their disadvantaged or vulnerable status. Where such individuals and groups are identified, the borrower/client will propose and implement targeted measures so that adverse impacts do not fall disproportionately on them and they are not disadvantaged in relation to sharing the benefits and opportunities resulting from development.</p>
<p>How this is addressed by the Burgos Wind Farm Project:</p>	<p>The ESIA did not identify individuals and groups who may be differentially or disproportionately affected by the project because of their disadvantaged or vulnerable status.</p>
<p>Parsons Brinckerhoff's assessment:</p>	<p>Based on Parsons Brinckerhoff's assessment, there are not any individuals who may be differentially or disproportionately affected by the project because of their disadvantaged or vulnerable status. In general, people living around the wind farm site have low income employment. EBWPC has implemented a social development programme to target people</p>

	in the host communities for skills training, employment and CSR activities.
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11 - Resettlement Planning

ADB involuntary resettlement requirement:	A resettlement plan will be based on the social impact assessment and through meaningful consultation with the affected persons. A resettlement plan will include measures to ensure that the displaced persons are (i) informed about their options and entitlements pertaining to compensation, relocation, and rehabilitation; (ii) consulted on resettlement options and choices; and (iii) provided with resettlement alternatives. During the identification of the impacts of resettlement and resettlement planning, and implementation, the borrower/client will pay adequate attention to gender concerns, including specific measures addressing the need of female headed households, gender-inclusive consultation, information disclosure, and grievance mechanisms, to ensure that both men and women receive adequate and appropriate compensation for their lost property and resettlement assistance, if required, as well as assistance to restore and improve their incomes and living standards.
How this is addressed by the Burgos Wind Farm Project:	As the Project was not initially developed as a Project to be funded by ADB, the ESIA was developed based on national requirements and the IFC performance standards.
Parsons Brinckerhoff's assessment:	Social assessment has been prepared for the project in the ESIA. The audit has assessed the compliance to ADB and further steps were recommended in the action plan.

12 - Social Impact Assessment

ADB involuntary resettlement requirement:	The borrower/client will analyze and summarize national laws and regulations pertaining to land acquisition, compensation payment, and relocation of affected persons in the resettlement plan. The borrower/client will compare and contrast such laws and regulations with ADB's involuntary resettlement policy principles and requirements.
How this is addressed by the Burgos Wind Farm Project:	<p>In order to legally occupy the land for the Project, EBWPC advised Parsons Brinckerhoff that long-term lease agreements were arranged with the current land-title holder(s). EBWPC further advised that in cases where the lease agreement could not be executed, EBWPC requested the DOE to exercise the power of eminent domain of the Philippine government to acquire rights over the land required for the Project. In accordance with the legislation in the</p> <p>Philippines, the DOE is required to follow the appropriate steps and processes in the filing of the individual cases. Accordingly, only after the exhaustion of all possible modes of land acquisition is the DOE able to exercise the Government's right of eminent domain. EBWPC has advised that the DOE has filed expropriation cases to acquire leasehold rights only, and that</p> <p>the ownership of the land will be retained by the current landowner(s).</p> <p>Based on information provided by EBWPC, aside from granting the exclusive right to explore, develop and utilize wind energy in the contract areas under the Wind Energy Service Contract, the contract also requires the DOE to provide assistance to EBWPC, "...including the exercise of the power of eminent domain if necessary, to secure such necessary or proper rights at such costs for the account of the Renewable Energy Developer [EBWPC] if the Renewable Energy Developer is unable to secure such rights at commercially reasonable costs through negotiations or if the same is the most</p>

	expedient course of action to support the timely execution of exploration or development".
Parsons Brinckerhoff's assessment:	Parsons Brinckerhoff has not identified any non-compliance within the scope of this environmental due diligence and based on the information provided for review.

13 – Consultation and Participation

ADB involuntary resettlement requirement:	<p>The borrower/client will conduct meaningful consultation with affected persons, their host communities, and civil society for every project and subproject identified as having involuntary resettlement impacts. Meaningful consultation is a process that (i) begins early in the project preparation stage and is carried out on an ongoing basis throughout the project cycle; (ii) provides timely disclosure of relevant and adequate information that is understandable and readily accessible to affected people; (iii) is undertaken in an atmosphere free of intimidation or coercion; (iv) is gender inclusive and responsive, and tailored to the needs of disadvantaged and vulnerable groups; and (v) enables the incorporation of all relevant views of affected</p> <p>people and other stakeholders into decision making, such as project design, mitigation measures, the sharing of development benefits and opportunities, and implementation issues. Consultation will be carried out in a manner commensurate with the impacts on affected communities. The borrower/client will pay particular attention to the need of disadvantaged or vulnerable groups, especially those below the poverty line, the landless, the elderly, female headed households, women and children, Indigenous Peoples, and those without legal title to land.</p>
How this is addressed by the Burgos Wind Farm Project:	<p>Involuntary resettlement impacts include leasing the land from the land title holders and economic displacement of the pasture users.</p> <p>Stakeholder consultation is summarized in Section 3.2.2 of the ESIA as follows:</p> <p>In compliance with the Philippine EIS System and international standards on stakeholder consultation and public participation, EBWPC conducted stakeholder consultation activities in various levels, such as barangay, municipal, city and provincial:</p> <p>Stakeholder consultation activities were undertaken during the preparation of the EPRMP and the ESIA Report and it will continue in all phases of project development. In addition to the local government units (LGUs) consulted as presented in Table 3-3, different government agencies were also consulted during the preparation of this ESIA Report, as follows:</p> <ul style="list-style-type: none"> • National Commission for Culture and Arts (NCCA) • National Water Resources Board (NWRB) • Philippine Atmospheric, Geophysical and Astronomical Services Administration (PAGASA) • Department of Labor and Employment (DOLE) • Department of Environment and Natural Resources-Environmental Management Bureau (DENR-EMB) Region 1 <p>Stakeholder engagement activities conducted by EBWPC include:</p> <p>Forum on Pasture Development. This activity was undertaken to provide venue for the discussion of issues and ways to further develop the communal pasture area in line with the need to improve the municipality's livestock industry.</p> <ul style="list-style-type: none"> • Stakeholder consultation on Clean Development Mechanism (CDM) registration. This was conducted to gather the local communities' concerns for the CDM application for the proposed Project. • Data gathering to formulate CSR programs and projects. Consultation with the provincial officials of Ilocos Norte, LGU of Laoag City, Department of Education (DepEd), Social Welfare and Development Office, and MDG office was

	<p>undertaken to determine the appropriate Corporate Social Responsibility (CSR) programs/projects.</p> <ul style="list-style-type: none"> • Information Education and Communication (IEC) Campaign. IEC was conducted to various stakeholders who are directly and indirectly affected by the proposed project. The IEC is a social preparation activity wherein the proponent discloses the proposed project, its components and the subsequent project planning tasks. • Related issues and concerns regarding the project raised by stakeholders during consultation activities conducted between April 2010 and May 2013 were summarized and discussed during the environmental risk management workshop. Mitigation measures and enhancement programs were also identified to address concerns of project stakeholders on the proposed Project. <p>Although not included in the ESIA, the following were advised by EBWPC to Parsons: For the wind farm site, the following consultation has been undertaken:</p> <ul style="list-style-type: none"> • EBWPC met with the Mayor of Burgos and municipal/barangay officials 12 and 24 February 2000 where they were informed of the proposed project. A courtesy call was made to the Governor on 29 March 2000. • An information drive session for the wind farm project was undertaken on 12 April 2000 at a local school and in general, the project was well received and no indication of opposition was expressed due possibly to early EBWPC coordination in Burgos town. The information drive was conducted in local dialect (Ilocano) and a simple comic strip was prepared and distributed to the attendees. The session was attended by the Mayor of Burgos, municipal councilors, Barangay captains of Pagali and Saoit and municipal officers as well as the CENRO and representative from the PARO. In total, there were 104 attendees. • There is ongoing consultation with the Pasture Association through the appointment of the independent agricultural consultant. EDC also held a consultation meeting with the Pasture Association and officials on 27 August 2010 regarding the rezoning of part of the communal pasture to wind farm site; no adverse comment was received. • In addition, land owners were contacted formally where their land was required to be leased to implement the Project. <p>For villages connected to the transmission line route, awareness of the Project was raised in the following ways:</p> <ul style="list-style-type: none"> • Land owners were contacted formally where their land was required to be leased to implement the Project. • To implement the land leasing and use of forest land, the Project was one of the subjects raised at the barangay meetings by the local official.
<p>Parsons Brinckerhoff's assessment:</p>	<p>Based on the information provided by EBWPC to Parsons Brinckerhoff and the ESIA, limited stakeholder consultation for the wind farm area was undertaken between 2007 and 2013.</p> <p>PAPs include the land owners and it is understood that these have been contacted to negotiate land leases and establish right-of-way. Although it is understood that most land owners were contacted in advance of the Project construction commencing, it is understood that some negotiations for EDC to legally occupy the land are on-going, with assistance provided by the DOE.</p> <p>First Balfour advised Parsons Brinckerhoff that stakeholder engagement is undertaken with local land owners in advance of the construction of each transmission tower/pole. The stakeholder engagement is based on negotiating appropriate access and communication records are maintained in the daily logs.</p> <p>Although the stakeholder consultation included the barangay councils for the wind farm area (which is consistent with the requirements in the Philippines) and members of BABA, it is unclear how local communities (i.e. individuals in the communities) were informed of the Project by the local officials/barangay councils and given the opportunity to comment. No community survey has been undertaken to present social acceptance. A need for consultation and disclosure within the local villagers for women was identified during</p>

	<p>Parsons Brinckerhoff's site visit in April 2012. During Parsons Brinckerhoff's site visit in July 2014, discussion was undertaken with PAPs to determine how and when they were made aware of the Project. It was established that PAPs were made aware of the Project through the early discussions for land requirements (i.e. from Project conception in 2000). Stakeholder engagement to disclose Project details (i.e. number of WTGs, construction schedule, potential impacts etc.) and obtain public opinion has not been undertaken.</p> <p>Based on the documentation provided to Parsons Brinckerhoff for review, a meeting was held on 24 April 2012 in conjunction with an application made to claim carbon credits for the Project under the Clean Development Mechanism (CDM) and based on the attendance list was attended by 25 officials from the DENR, PENRO, councilors and BABA representatives.</p> <p>Limited stakeholder consultation was carried out for the transmission line at the Project planning stage. Meetings were held with LGUs in order to obtain project endorsement between 2010 and 2013. The Project documentation does not identify the stakeholder groups for the transmission line. However, PAPs include the land owners, and it is understood that the landowners have been contacted to negotiate land leases and establish right-of-way.</p> <p>The EPRMP, CDMP, ESIA/summary of its findings (i.e. a non-technical summary in local language and English) has not been made available to the stakeholder groups.</p> <p>No stakeholder consultation has been undertaken during the construction and operation stages of the wind farm.</p> <p>No stakeholder consultation has been undertaken to communicate and discuss the results of the landscape and visual impact assessment (i.e. with the photomontages), the results of the noise assessment or the shadow flicker assessment.</p> <p>Parsons Brinckerhoff's recommendations – Stakeholder engagement should be arranged as soon as possible to communicate the remaining construction programme. The stakeholder consultation should include all interested parties. Issues and comments raised in the stakeholder consultation should be recorded.</p>
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14 – Grievance redress mechanism

<p>ADB involuntary resettlement requirement:</p>	<p>The borrower/client will establish a mechanism to receive and facilitate the resolution of affected persons' concerns and grievances about physical and economic displacement and other project impacts, paying particular attention to the impacts on vulnerable groups. The grievance redress mechanism should be scaled to the risks and adverse impacts of the project. It should address affected persons' concerns and complaints promptly, using an understandable and transparent process that is gender responsive, culturally appropriate, and readily accessible to the affected persons at no costs and without retribution. The mechanism should not impede access to the country's judicial or administrative remedies. The borrower/client will inform affected persons about the mechanism</p>
<p>How this is addressed by the Burgos Wind Farm Project:</p>	<p>The EBWPC temporary facility at Ilocos Norte has always been open to receiving feedback from the community. No formal grievance mechanism was in place. However, a grievance mechanism was already being drafted during the audit.</p> <p>In addition, there are mechanisms under the legislation in the Philippines for PAPs to respond to projects:</p> <p>Moreover, there are two grievance mechanisms available for any stakeholder to access. This includes the following:</p> <ul style="list-style-type: none"> • DAO 2003-30 of the Philippine EIS System provides a process and a venue for a grievance mechanism and alternative dispute resolution option for public issues/complaints which may be brought before DENR-EMB in relation to the

	<p>Project's performance against the EPRMP and compliance with ECC conditions. DAO 2003-30 has Administrative Procedures to handle public complaints on any ECC-issued project.</p> <ul style="list-style-type: none"> DENR-EMB also provides for a mechanism for the public's complaints to be heard and processed through the Pollution Adjudication Board. The complaints have to be non PD1586-based. These complaints are in relation to compliance with permits on pollution prevention (i.e. on wastewater discharges, on air emissions, on hazardous wastes, on toxic substances and on solid waste management).
Parsons Brinckerhoff's assessment:	<p>In the absence of a formal grievance mechanism, it is understood that complaints and queries are received by the mayor, CENRO officer and other local government officials.</p> <p>Parsons Brinckerhoff's recommendations: The grievance mechanism should be communicated and implemented to PAPs as soon as possible. All grievances should be recorded and managed accordingly.</p>

15 – Monitoring and Reporting

ADB involuntary resettlement requirement:	<p>The borrower/client will monitor and measure the progress of implementation of the resettlement plan. The extent of monitoring activities will be commensurate with the project's risks and impacts. In addition to recording the progress in compensation payment and other resettlement activities, the borrower/client will prepare monitoring reports to ensure that the implementation of the resettlement plan has produced the desired outcomes. For projects with significant involuntary resettlement impacts, the borrower/client will retain qualified and experienced external experts or qualified NGOs to verify the borrower's/client's monitoring information. The external experts engaged by the borrower/client will advise on safeguard compliance issues, and if any significant involuntary resettlement issues are identified, a corrective action plan will be prepared to address such issues. Until such planning documents are formulated, disclosed and approved, the borrower/client will not proceed with implementing the specific project components for which involuntary resettlement impacts are identified.</p>
How this is addressed by the Burgos Wind Farm Project:	<p>No specific monitoring is undertaken but EBWPC Corporate Communications and Community Relations Team coordinate activities related to the livestock raisers (i.e. determining a location for the forage production area).</p>
Parsons Brinckerhoff's assessment:	<p>Reporting and monitoring of the resettlement activities involving the livestock raisers (i.e. temporary economic displacement) is undertaken but does not follow a specific framework.</p> <p>Any other resettlement activities which are proposed/have been undertaken should be included in the monitoring.</p>

16 – Monitoring and Reporting

ADB involuntary resettlement requirement:	<p>The borrower/client will prepare semi-annual monitoring reports that describe the progress of the implementation of resettlement activities and any compliance issues and corrective actions. These reports will closely follow the involuntary resettlement monitoring indicators agreed.</p>
How this is addressed by the Burgos	<p>The CSR reports which are updated on an on-going basis, and finalized annually include a summary of the activities undertaken within that calendar year, including for the</p>

Wind Farm Project:	livestock raisers (i.e. BABA).
Parsons Brinckerhoff's assessment:	Reporting and monitoring of the resettlement activities involving the livestock raisers (i.e. temporary economic displacement) is undertaken but does not follow a specific framework. The audit recommends carrying out periodic monitoring of the implementation of the measures to be taken up as part of the land acquisition process in line with the SPS requirements. Any other resettlement activities which are proposed/have been undertaken should be included in the reporting.

17 – Unanticipated impacts

ADB involuntary resettlement requirement:	If unanticipated involuntary resettlement impacts are found during project implementation, the borrower/client will conduct a social impact assessment and update the resettlement plan or formulate a new resettlement plan covering all applicable requirements specified in this document.
How this is addressed by the Burgos Wind Farm Project:	Unanticipated involuntary resettlement impacts may include: Physical relocation of the residents of properties which may be impacted by noise and shadow flicker during operation – this is subject to on-site verification..
Parsons Brinckerhoff's assessment:	EBWPC has advised that any unanticipated impacts would be addressed in accordance with the legislation and policies applicable at the time, and in line with the requirements of ADB SPS.

18 – Special considerations for indigenous peoples

ADB involuntary resettlement requirement:	The borrower/client will explore to the maximum extent possible alternative project designs to avoid physical relocation of Indigenous Peoples that will result in adverse impacts on their identity, culture, and customary livelihoods. If avoidance is impossible, in consultation with ADB, a combined Indigenous Peoples plan and resettlement plan could be formulated to address both involuntary resettlement and Indigenous Peoples issues. Such a combined plan will also meet all relevant requirements specified under ADB's safeguard requirements for indigenous peoples.
How this is addressed by the Burgos Wind Farm Project:	With reference to Section 5.9 of Parsons Brinckerhoff's due diligence report, indigenous people were not identified. Requirements for indigenous people have been managed by EBWPC in accordance with the legislation in the Philippines. The following CNO for the wind farm was issued by the NCIP and provided for Parsons Brinckerhoff's review: <ul style="list-style-type: none"> • 10 October 2007 (reference: R1-PPO-CNO-07-10-26) for 1.44 hectares. • 21 October 2009 (reference: R1-INPO-CNO-2009-10-21) for 274 hectares (i.e. the public land, including the land covered by the FLAg). • 1 October 2007 (no reference provided) for the transmission line right-of-way (phase 1) located along the Municipalities of Bacarra, Pasuquin and Burgos. No effects or overlap issues with ancestral domain were identified in the CNOs.
Parsons Brinckerhoff's assessment:	Not applicable Based on the above information, ADB's safeguard on indigenous peoples will not be triggered for the Project.

B. Assessment of the Project against ADB’s Safeguards Requirements 3: Indigenous peoples

141. Based on the information provided for review, impacts on indigenous peoples were not identified and therefore ADB's safeguards on indigenous peoples are not considered applicable.

VII. CONCLUSIONS AND RECOMMENDATIONS

142. The social safeguards compliance audit confirms the following: (i) EBWPC is fully compliant with the national requirements for land acquisition and resettlement. There are no additional measures or actions identified by the audit to ensure compliance, to national requirements (ii) through adoption of its land acquisition strategy which avoids land expropriation for titles, EBWPC has secured the general consent of the affected persons for the project. The audit did not identify any major outstanding issues related to compensation or grievances from the communities; and, (iii) the recommended actions with respect to ADB requirements on involuntary resettlement are due to the late entry of ADB into the project. The actions proposed have been agreed upon with EBWPC, as part of its corporate objectives to achieve higher environment and social performance in its operations. A summary of the recommended actions proposed is summarized in Table below.

Table 14 Summary of recommended actions

No	Recommended actions	Responsibility	Deliverable and actions to be taken
1	Formal establishment of the grievance mechanism and a wider dissemination (in the barangays) of the grievance mechanism, including contacts, timelines for grievance redressal etc.	Community Relations Officer	Disseminate grievance to community residents & stakeholders
2	Barangay level consultations to identify and resolve any outstanding issues on land procurement, including temporary impacts during construction	Community Relations Officer	Organize barangay level consultations Disseminate flyers & other IEC materials
3	For all landowners with outstanding issues, provision of legal support to the landowners from EBWPC is required.	Land Team	
4	Socio-economic survey of 33 households with material impact	Community Relations Officer	
5	Action plan in consultation with BABA on measures to be taken up for communal pasture lands,	Community Relations Officer	Prepare socio-economic profile of BABA members Planning workshop with BABA
6	Information disclosure and continued stakeholder engagement through implementation of the IEC plan of EDC.	Community Relations Officer	Consultations in Burgos Consultations in Pasuquin & Bacarra
7	Implementation of livelihood restoration measures to land owners affected more than 10%, including prioritization in employment opportunities, skills and capacity development training etc.	Community Relations Officer	Consultation with the landowners
8	Budget and resource commitments by EDC for implementing the corrective actions	EDC Management	