

Environment and Social Safeguards Monitoring Report

May 2016
Environment and Social Safeguards Audit Sheets 2014

INDIA: Accelerating Infrastructure Investment Facility in India

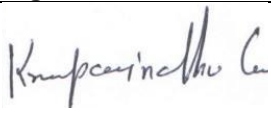


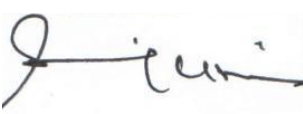
Prepared by India Infrastructure Finance Company Limited for the India Infrastructure Finance Company Limited and the Asian Development Bank

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

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

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

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

Name of Organization	India Infrastructure Finance Company Limited (IIFCL)	
Name of Sub-project	Development, maintenance and management of the State Highway No.05A including four laning from Ch.0.000 to Ch. 64.000 & from Ch. 97.000 to Ch. 115.000 and six laning from Ch. 64.000 to Ch. 97.000 of Varanasi - Shaktinagar section of NH-05A in the state of Uttar Pradesh through Public Private Partnership (the PPP) on Design, Build, Finance, Operate and Transfer (DBFOT) basis.	
Name of Sub-project Developer	ACP Tollways Private Limited	
Reporting Period	From January - 2014 to December - 2014	
Audit Activity	Name & Designation	Signature
Prepared by	Mr. Krupasindhu Guru Assistant General Manager (Social Safeguard Specialist)	
	Dr. Rashmi Kadian Assistant General Manager (Environment Specialist)	
Reviewed By	Dr S. S. Garg General Manager	
Approved by & Senior Staff with overall responsibility for ESMS implementation	Mr. Sanjeev Ghai Chief General Manager	

A. Environmental and Social Management System (ESMS)

	Policies & Processes	Yes/ No	
1.	Has your organization developed and implemented an ESMS?	Yes	ESSF was adopted by IIFCL in October 2008 which was subsequently revised in November 2010 and July 2013 and Addendum to the ESSF for the World Bank financed sub-projects was issued in the year 2014. The latest revised ESSF of July 2013 and addendum are available on IIFCL's website (http://www.iifcl.org/Content/ESMU.aspx) (If yes, please attach a copy of the ESMS to this report. Please indicate the date that the ESMS was established.)
2.	If there is an ESMS already in place, have there been any updates to the ESMS or policy and procedures adopted by your organization during the reporting	Yes	During reporting period (January, 2014 to December, 2014) an Addendum was issued to the ESSF in the year 2014. The weblink of the detailed document is provided above. The purpose of the Addendum was to summarise the process of proposed due diligence process at IIFCL for determining the

¹ Reporting requirements outlined here pertained to ADB. Other DFIs also have similar requirements.

	period?		eligibility of sub-projects for the World Bank financing under World Bank's line of credit. (If yes, please provide a copy of the updates including dates and reasons for the same.)																														
3.	Has senior management signed off on the updated policy/ procedure?	Yes	The ESSF 2013 was approved by IIFCL Board on 22 nd September 2013. (If yes, please provide the date and internal communication indicating the same.)																														
4.	Has your organization appointed staff tasked to implement the ESMS?	Yes	<p>Environmental and Social Safeguards Management Unit (ESMU) has been set up at IIFCL in 2010 to fulfil the environmental & social safeguard commitments based on ESSF guidelines.</p> <p>The ESMU currently is headed/ coordinated by a qualified full-time staff of IIFCL with two full-time environmental safeguards specialists and one full-time social safeguards specialist. In addition to this the department is also supported by one environmental safeguards specialist (Consultant) and one social safeguards specialist (Consultant). The details of the ESMU team as on 31st December 2014 are given below:</p> <table><tr><th>S. No</th><th>Name of Employee</th><th>Designation</th><th>Qualification</th><th>Experience in relevant field</th></tr><tr><td>1.</td><td>Dr. S. S. Garg</td><td>General Manager (GM)</td><td>Doctorate in Environmental Sciences, Diploma in Industrial Safety, Lead Auditor for ISO 14001 and OHSAS18001</td><td>20 yrs</td></tr><tr><td>2.</td><td>Dr. Ruchi Malik</td><td>Assistant General Manger (AGM)- Environment Specialist</td><td>Doctorate in Environmental Sciences</td><td>13 yrs</td></tr><tr><td>3.</td><td>Dr. Rashmi Kadian</td><td>Assistant General Manger (AGM)- Environment Specialist</td><td>Doctorate in Environmental Sciences</td><td>12 yrs</td></tr><tr><td>4.</td><td>Mr. Krupasindhu Guru</td><td>Assistant General Manger (AGM)- Social Specialist</td><td>Masters in Economics, Masters in Journalism, and LLB</td><td>13 yrs</td></tr><tr><td>5.</td><td>Dr. Bhavesh Kumar Singh</td><td>Environmental Safeguards Specialist-Consultant</td><td>Doctorate in Environmental</td><td>18 yrs</td></tr></table>	S. No	Name of Employee	Designation	Qualification	Experience in relevant field	1.	Dr. S. S. Garg	General Manager (GM)	Doctorate in Environmental Sciences, Diploma in Industrial Safety, Lead Auditor for ISO 14001 and OHSAS18001	20 yrs	2.	Dr. Ruchi Malik	Assistant General Manger (AGM)- Environment Specialist	Doctorate in Environmental Sciences	13 yrs	3.	Dr. Rashmi Kadian	Assistant General Manger (AGM)- Environment Specialist	Doctorate in Environmental Sciences	12 yrs	4.	Mr. Krupasindhu Guru	Assistant General Manger (AGM)- Social Specialist	Masters in Economics, Masters in Journalism, and LLB	13 yrs	5.	Dr. Bhavesh Kumar Singh	Environmental Safeguards Specialist-Consultant	Doctorate in Environmental	18 yrs
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5.	Please give details of any transactions rejected due to environmental and/or social concerns.	No	During the reporting period (January – December 2014) no transactions were rejected due to environmental and / or social concerns.					
6.	Please state any difficulties and/or constraints related to the implementation of the ESMS.		<p>One of the pre requisites for getting funding (multilateral/bilateral financial institutions like World Bank, Asian Development Bank and European Investment Bank) under line of credit is the evaluation of the subprojects on environmental and social issues. The ESSF of IIFCL provides an enabling mechanism to IIFCL to meet environmental and social safeguard requirements associated with sub-projects.</p> <p>As per the mandate, IIFCL finances upto 20% of project cost or 80% of the lead bank share whichever is lower, thus, IIFCL is a minor partner in the consortium. IIFCL follows the ESSF, whereas the other lending partners do not have such safeguard framework.</p> <p>The environmental and social safeguard requirement of any infrastructure project requires screening of vast quantum of data / information / statutory approvals / permits / periodic compliance monitoring reports etc. as per National safeguards requirements. Extracting this information from the developer is a time consuming process and is a challenging task.</p> <p>In case of social safeguards, IIFCL relies on the information provided by the Concessionaire.</p>					
7.	Please describe how you ensure that your clients and their investments are operated in compliance with the national laws and regulations and applicable DFI's safeguard requirements.		<p>In the Common Loan Agreement for each project funded by IIFCL, certain covenants are always put up reflecting concessionaire's liability to comply with applicable laws of land as required for project implementation.</p> <p>The safeguard compliance status of the project is examined during the due diligence study of the project. After the approval of the project by the DFIs, ESMU conducts annual audit of the projects to review whether the projects are operated in compliance with the applicable laws and regulations.</p> <p>To ensure compliance with DFIs safeguards requirements reports on implementation of EMP at project site, reports on monitoring of environmental parameters, status of safety management, periodic LIE reports and six monthly compliance reports are generally shared by developer with IIFCL. The borrowers also engage safety officers/engineers to look after the safety, health and environment related aspects.</p>					
8.	Please give details of any material social and environmental issues associated with clients during the reporting period in particular.		The environmental and social safeguard requirement of any infrastructure project requires screening of vast quantum of data / information / statutory approvals / permits / periodic compliance monitoring reports etc. as per National safeguards					

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9.	In case the existing ESMS is not fully functional, what are the action plan being implemented by your organization?		<p>Presently, existing ESMU is functional. Please refer to Section A for details. Head ESMU was recruited in October 2014 and one full time Environmental Specialist was recruited in November 2014. The position of Social Safeguard Specialist was advertised but not filled due lack of suitable candidate. This will be filled up shortly.</p> <p>(Please provide information or cite recommendation made by DFI's review mission to improve the ESMS and its implementation.)</p>
	Capacity	Yes/ No	
10.	Please provide the name and contact information of the senior staff who has the overall responsibility for the implementation of ESMS.	Yes	<p>Mr Sanjeev Ghai, Chief General Manager has the overall responsibility for the implementation of ESSF. His contact information are provided below:</p> <p>Telephone : +91 11 23450263, 23450261 (Direct); Email : sanjeevghai@iifcl.org</p> <p>(Please describe the training or learning activities the Environmental/Social Officer or Coordinator attended during the year.)</p>
11.	Please provide current staffing of other core ESMS persons in the organization involved with ESMS implementation.	Yes	<p>Please refer Section A, point no. 4 for details of ESMU persons of IIFCL.</p> <p>Please find attached details of Training programmes attended by ESMS Staff during reporting period of January 2014 to December 2014 as Annexure-I.</p> <p>(Please describe the training provided to the ESMS persons and other team members during the year.)</p>
12.	What was the budget allocated to the ESMS and its implementation during the year?	Yes	<p>ESMU is the core team of IIFCL and requisite budgetary provision is a part of IIFCL's overall budget.</p> <p>(Please provide budget details including staff costs and training as well as any actual costs.)</p>
	Monitoring		
13.	Do you receive environmental and social monitoring reports from Lead Banks/Borrowers?	Yes	<p>The project is monitored through Lenders Engineer's reporting. The Lender's Independent Engineer is appointed by the Lead Bank of the Lender's Consortium to monitor the physical, financial progress and the compliance of various regulatory requirements. LIE reports are provided by the Lead Bank to the IIFCL. The LIE reports generally covers areas related to statutory approval status, forest diversion, tree cutting status, safety management, land diversion status and pending litigation etc. statutory permitting status, institutional arrangement, accident/incident data etc.</p> <p>From Borrowers, IIFCL receives reports on implementation of EMP, reports on monitoring of environmental parameters, status of safety management and six monthly compliance reports.</p> <p>(If yes, please describe and provide supporting documents including any social and environmental considerations if applicable.)</p>

14.	Do you check for ongoing compliance of your clients with national regulation and any other requirements?	Yes	<p>During the environmental and social due diligence study and subsequent audit, the compliance of the project with the applicable regulation is checked with available documentation. The site visit is carried out by ESMU for field verification.</p> <p>(If yes, please describe the process including any social and environmental considerations if applicable.)</p>
15.	Please describe how you monitor the clients and their investments' social and environmental performance.		<p>The social and environmental performances are checked during the preparation of Environmental and Social Due Diligence Report and annual audit. Each approved project is evaluated for its environmental safeguard compliance performance against the applicable safeguard requirements at the time of audit. The compliance status is also assessed through the LIE report which generally covers the statutory approval status, forest diversion, tree cutting status, safety management, land diversion status and pending litigation etc; reports on implementation of EMP, reports on monitoring of environmental parameters, status of safety management, six monthly compliance reports and through site visits.</p> <p>Out of the 8 sub-projects approved under AIIFI, site visit was conducted for 4 sub-projects in the year 2014 for the purpose of ESDDR preparation. For other three sub-projects, whose site visit was done for ESDDR purpose during the year 2013, these sub-projects were visited in early 2015 for audit purpose.</p> <p>The 8th sub-project, i.e. MEP Infrastructure Project was visited by safeguards staff during May 2013 as part of ESDDR preparation and has been approved under Takeout Finance Scheme by ADB. The project scope of work involves Securitization of Five Mumbai Entry Points along with maintenance of Flyovers and allied structures in and around Mumbai Region. The Project Facility is being operated and maintained by Concessionaire or through sub-Contractors if required, and major work involves Toll collection, Minor road repairing work, routine/periodic maintenance activities including plantation/beautification work & safety management. Considering this scope of work, site visit was not considered necessary for audit purposes.</p> <p>(Please describe and provide supporting documents such as environmental and social monitoring reports and please provide information on the number of subprojects where a field visit was conducted by staff to review aspects including social and environmental issues.)</p>
16.	<p>Please provide details of any accidents/litigation/complaints /regulatory notices and fines:</p> <ul style="list-style-type: none"> - Any incidents of non-compliance with the applicable Environmental and Social Requirements - Covenants/conditionalities imposed by IIFCL to the client as a result of any non-compliance 		The project specific details are provided in Section 'C'.
	Reporting		
17.	Is there an internal process to report on social and environmental issues to Senior management?	Yes	<p>The ESDDR (one time document) and Audit sheets are approved by the Senior Management.</p> <p>The ESDDR is a detailed report on environmental and social safeguards and annual audit sheet is reported in the present format.</p>

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

B. Activities on DFI's Prohibited Investment Activities List

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

C. Subprojects Using DFI Funds

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

1.	Name of Subproject:	Sub-project Developer: ACP Tollways Private Limited Sub-project: Development, maintenance and management of the State Highway No.05A including four laning from Ch.0.000 to Ch. 64.000 & from Ch. 97.000 to Ch. 115.000 and six laning from Ch. 64.000 to Ch. 97.000 of Varanasi - Shaktinagar section of NH-05A in the state of Uttar Pradesh through Public Private Partnership (the PPP) on Design, Build, Finance, Operate and Transfer (DBFOT) basis.
2.	Location:	Varanasi-Shaktinagar road up to Hathinala (SH-5A) in the State of Uttar Pradesh
3.	Sector:	Highways and Roads
4.	Total loan from IIFCL/DFI (US\$ MN):	\$ 26,731,052.79
5.	Safeguard category: (Annex E-3)	Category B
6.	Were any environmental and social due diligence undertaken by your organization?	Environmental & Social Due-Diligence for ACP Tollways Pvt. Ltd. was undertaken by ESMU for which desk review of safeguards related documents was carried out along with field verification done during site visit conducted on 13th to 14th of August, 2013 by ESMU team. Review of safeguard related information was also done for the period




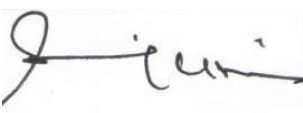
		<p>January – December 2014 for annual audit purpose.</p> <p>Site visit was conducted for safeguards compliance check by ESMU during 28-29th May 2015.</p> <p>(If yes, provide information on due diligence activities, such as desk review of safeguard documents, and field visit, and by whom.)</p>
7.	Any environmental assessment report (including environmental management plan), involuntary resettlement plan, or indigenous peoples plan, or audit reports reviewed by your organization?	<p><u>Environmental Safeguard:</u></p> <p>The Environmental Safeguard Due-Diligence study was carried out for the sub-project on the basis of site visit observations and understanding project scope based on information and documents provided by the Concessionaire. As per observation of State Level Environment Impact Assessment Authority, Uttar Pradesh State, this sub-project does not come under the purview of EIA Notifications, 2006, as amended in April 2011. Therefore, no EIA was prepared for the sub-project. However, an EMP was prepared and implemented at the sub-project.</p> <p>The following documents were referred/reviewed in order to prepare Environmental Safeguards Due-Diligence Report:</p> <ul style="list-style-type: none"> • Environmental Management Plan • Project Statutory consent/ approvals and permits • Project HSE Documents • EPC Contract Documents • Concession Agreement • Project Information Memorandum • Lenders Independent Engineer reports <p><u>Social Safeguard</u></p> <ul style="list-style-type: none"> • As informed by the developer, no tribal families are getting affected due to the sub project so no Tribal Development Plan has been prepared for this project; • Since no project specific Involuntary resettlement plan has been prepared for this project, however, to ensure the safeguard compliance, following documents were reviewed by ESMU: • Concession Agreement; • Engineering Procurement and Construction Agreement; • Lender's Independent Engineer's report, December 2014; • Gazette Notification for land acquisition <p>(If yes, please provide the names of documents reviewed.)</p>
8.	What were the main environmental, involuntary resettlement and indigenous peoples issues associated with this subproject that were identified through due diligence conducted by your organization, and how were the issues dealt with (i.e., outcome of due diligence)?	<p><u>Environmental Safeguard</u></p> <p>During environmental due-diligence the formal Forest Clearance was pending for the sub-project. Forest Clearance for 129.251 hectare of forest land diverted for the sub-project has been granted by MOEF vide letter dated 14th November 2013, which was shared by the Concessionaire with IIFCL.</p> <p>The following documents were referred for the purpose of annual audit of the sub-project:</p> <ul style="list-style-type: none"> • The environmental monitoring reports for air, water and noise at the construction sites of the sub-project for the period March & July 2014 • The LIE reports for the sub-project for the February, March and

		<p>December 2014, the LIE for the sub-project covers:</p> <ul style="list-style-type: none"> ○ environment, social, health, safety and traffic issues; ○ sanitation and hygiene at labour camps and site offices; ○ protection plan of the project; ○ status of utility shifting; ○ tree cutting status; ○ financial, physical progress; ○ land acquisition and ○ status of various regulatory requirements. <ul style="list-style-type: none"> • Environmental Management Plan implementation • Compliance to NOC/Consents from State Pollution Control Board. <p>During the annual compliance monitoring review, ESMU visited the project site during 28-29th May 2015. Following is the observations / outcome of the review of documents / information for annual audit and site visit conducted :</p> <ul style="list-style-type: none"> • Environmental Quality Monitoring is being done at the site and parameters are within prescribed limits of regulatory norms. Based on the site visit it can be deduced that the monitoring is adequate. • Sprinkler system is arranged at crushers to avoid dust pollution in plant area. • Sanitation and hygiene is maintained at the site. • Till December 2014, median plantation on 109.60 km has been done. Tree Plantation carried out in Ahraura, Chopan Base camp and crusher site Chiraiya and Dala. • Dedicated team of Manager Safety and 2-Safety Officer along with 1 supervisor, 2 Road markers and 24 labors are maintaining safety at site. • Safety Barricading and safety delineators are provided on construction zones and diversions. • Personnel Protective Equipment like helmets, reflective jackets, masks, safety shoes are being used by all staff in construction site. • The EMP implementation, safety measures and institutional arrangement for the same is adequate at the sub-project. <p>Social Safeguard</p> <ul style="list-style-type: none"> • Land acquisition has been carried out by Uttar Pradesh State Highway Authority (UPSHA) after the Gazette notification were published; • No tribal families are getting affected due to the sub project; • UPSHA has prepared this project for its own funding requirement and not in anticipation to ADB's operation, and the compensation has been paid for loss of properties as determined by the Competent Authority; • Based on the available skill and qualification requirements, employment preference have been given to local labourers in the construction activity.
9.	Did you discuss with the	No, as IIFCL is a late entrant in project development.

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

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

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

Name of Organization	India Infrastructure Finance Company Limited (IIFCL)	
Name of Sub-project	Four Laning of Chattisgarh/ Orissa Border – Aurang Section-from km 88.000 to km 239.000 of NH- 6 (53) in the State Chattisgarh to be executed as BOT (Toll) on Design, Built, Operate and Transfer (DBFOT) basis.	
Name of Sub-project Developer	BSCPL Aurang Tollways Ltd.	
Reporting Period	From January - 2014 to December - 2014	
Audit Activity	Name & Designation	Signature
Prepared by	Mr. Krupasindhu Guru Assistant General Manager (Social Safeguard Specialist)	
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			<table><tr><td></td><td>Chowdhury</td><td>Safeguards Specialist-Consultant</td><td>Sociology</td><td></td></tr></table>		Chowdhury	Safeguards Specialist-Consultant	Sociology	
	Chowdhury	Safeguards Specialist-Consultant	Sociology					
			(IF yes, please provide information on number of staff and qualification (experience and education background) to implement the ESMS.)					
5.	Please give details of any transactions rejected due to environmental and/or social concerns.	No	During the reporting period (January – December 2014) no transactions were rejected due to environmental and / or social concerns.					
6.	Please state any difficulties and/or constraints related to the implementation of the ESMS.		<p>One of the pre requisites for getting funding (multilateral/bilateral financial institutions like World Bank, Asian Development Bank, and European Investment Bank) under line of credit is the evaluation of the subprojects on environmental and social issues. The ESSF of IIFCL provides an enabling mechanism to IIFCL to meet environmental and social safeguard requirements associated with sub-projects.</p> <p>As per the mandate, IIFCL finances upto 20% of project cost or 80% of the lead bank share whichever is lower, thus, IIFCL is a minor partner in the consortium. IIFCL follows the ESSF, whereas the other lending partners do not have such safeguard framework.</p> <p>The environmental and social safeguard requirement of any infrastructure project requires screening of vast quantum of data / information / statutory approvals / permits / periodic compliance monitoring reports etc. as per National safeguards requirements. Extracting this information from the developer is a time consuming process and is a challenging task.</p> <p>In case of social safeguards, IIFCL relies on the information provided by the Concessionaire.</p>					
7.	Please describe how you ensure that your clients and their investments are operated in compliance with the national laws and regulations and applicable DFI's safeguard requirements.		<p>In the Common Loan Agreement for each project funded by IIFCL, certain covenants are always put up reflecting concessionaire's liability to comply with applicable laws of land as required for project implementation.</p> <p>The safeguard compliance status of the project is examined during the due diligence study of the project. And after the approval of the project by the DFIs, ESMU conducts annual audit of the projects to review whether the projects are operated in compliance with the applicable laws and regulations.</p> <p>To ensure compliance with DFIs safeguards requirements reports on implementation of EMP, reports on monitoring of environmental parameters, status of safety management, LIE reports and six monthly compliance reports are generally shared by developer with IIFCL. The borrowers also engage safety officers/engineers to look after the safety, health and environment related aspects.</p>					
8.	Please give details of any material social and environmental issues		The environmental and social safeguard requirement of any infrastructure project requires screening of vast quantum of data / information / statutory approvals / permits / periodic					

	associated with clients during the reporting period in particular.		<p>compliance monitoring reports etc. as per National safeguards requirements. Extracting this information from the developer is a time consuming process and is a challenging task.</p> <p>In case of social safeguards, IIFCL relies on the information provided by the Concessionaire.</p>
9.	In case the existing ESMS is not fully functional, what are the action plan being implemented by your organization?		<p>Presently, existing ESMU is functional. Head ESMU was recruited in October 2014 and one full time Environmental Specialist was recruited in November 2014. The position of Social Safeguard Specialist was advertised but not filled due lack of suitable candidate. This will be filled up shortly.</p> <p>(Please provide information or cite recommendation made by DFI's review mission to improve the ESMS and its implementation.)</p>
	Capacity	Yes/No	
10.	Please provide the name and contact information of the senior staff who has the overall responsibility for the implementation of ESMS.	Yes	<p>Mr Sanjeev Ghai, Chief General Manager has the overall responsibility for the implementation of ESSF. His contact information are provided below:</p> <p>Telephone : +91 11 23450263, 23450261 (Direct); Email : sanjeevghai@iifcl.org</p> <p>(Please describe the training or learning activities the Environmental/Social Officer or Coordinator attended during the year.)</p>
11.	Please provide current staffing of other core ESMS persons in the organization involved with ESMS implementation.	Yes	<p>Please refer Section A, point no. 4 for details of ESMU persons of IIFCL.</p> <p>Please find attached details of Training programmes attended by ESMS Staff during reporting period of January 2014 to December 2014 as Annexure-I.</p> <p>(Please describe the training provided to the ESMS persons and other team members during the year.)</p>
12.	What was the budget allocated to the ESMS and its implementation during the year?	Yes	<p>ESMU is the core team of IIFCL and requisite budgetary provision is a part of IIFCL's budget.</p> <p>(Please provide budget details including staff costs and training as well as any actual costs.)</p>
	Monitoring		
13.	Do you receive environmental and social monitoring reports from Lead Banks/Borrowers?	Yes	<p>The project is monitored through Lenders Engineer's reporting. The Lender's Independent Engineer is appointed by the Lead Bank of the Lender's Consortium to monitor the physical, financial progress and the compliance of various regulatory requirements. Periodic LIE reports are provided by the Lead Bank to the IIFCL. The LIE reports generally cover areas related to statutory approval status, forest diversion, tree cutting status, safety management, land diversion status and pending litigation etc.</p> <p>From Borrowers, IIFCL receives reports on implementation of EMP, reports on monitoring of environmental parameters, status of safety management and six monthly compliance reports.</p> <p>(If yes, please describe and provide supporting documents including any social and environmental considerations if applicable.)</p>
14.	Do you check for ongoing compliance of your clients with national regulation and any other requirements?	Yes	<p>During the environmental and social due diligence study and subsequent audit, the compliance of the project with the applicable regulation is checked with available documentation. The site visit is carried out by ESMU for</p>

			field verification. (If yes, please describe the process including any social and environmental considerations if applicable.)
15.	Please describe how you monitor the clients and their investments' social and environmental performance.		<p>The social and environmental performances are checked during the preparation of Environmental and Social Due Diligence Report and annual audit. Each approved project is evaluated for its environmental safeguard compliance performance against the applicable safeguard requirements at the time of audit. The compliance status is also assessed through the LE report which covers the statutory approval status, forest diversion, tree cutting status, safety management, land diversion status and pending litigation etc; reports on implementation of EMP, reports on monitoring of environmental parameters, status of safety management, six monthly compliance reports and through site visits.</p> <p>Out of the 8 sub-projects approved under AIIFI, site visit was conducted for 4 sub-projects in the year 2014 for the purpose of ESDDR preparation. For other Three sub-projects, whose site visit for ESDDR purpose was done during year 2013, these sub-projects were visited in early 2015 for audit purposes.</p> <p>The 8th sub-project, i.e. MEP Infrastructure Project was visited by safeguards staff during May 2013 as part of ESDDR preparation and has been approved under Takeout Finance Scheme by ADB. The project scope of work involves Securitization of Five Mumbai Entry Points along with maintenance of Flyovers and allied structures in and around Mumbai Region. The Project Facility is being operated and maintained by Concessionaire or through sub- Contractors if required, and major work involves Toll collection, Minor road repairing work, routine/periodic maintenance activities including plantation/beautification work & safety management. Considering this scope of work, site visit was not considered necessary for audit purposes.</p> <p>(Please describe and provide supporting documents such as environmental and social monitoring reports and please provide information on the number of subprojects where a field visit was conducted by staff to review aspects including social and environmental issues.)</p>
16.	<p>Please provide details of any accidents/litigation/complaints /regulatory notices and fines:</p> <ul style="list-style-type: none"> - Any incidents of non-compliance with the applicable Environmental and Social Requirements - Covenants/conditionalities imposed by IIFCL to the client as a result of any non-compliance 		The project specific details are provided in Section 'C'.
	Reporting		
17.	Is there an internal process to report on social and	Yes	The ESDDR (one time document) and Audit sheets are approved by the Senior Management.

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

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

C. Subprojects Using DFI Funds

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

1.	Name of Sub-project:	<p>Sub-project Developer: BSCPL Aurang Tollways Ltd.</p> <p>Sub-project: Four Laning of Chattisgarh/ Orissa Border – Aurang Section-from km 88.000 to km 239.000 of NH- 6 (53) in the State Chattisgarh to be executed as BOT (Toll) on Design, Built, Operate and Transfer (DBFOT) basis.</p>
2.	Location:	Chattisgarh/ Orissa Border – Aurang Section from km 88.000 to km 239.000 of NH- 6 (53) in the State Chattisgarh.
3.	Sector:	Highways and Roads
4.	Total loan from IIFCL/DFI (US\$ MN):	\$ 16,040,282.42
5.	Safeguard category: (Annex E-3)	Category B
6.	Were any environmental and social due diligence undertaken and by your organization?	<p>Environmental & Social Due-Diligence for BSCPL Aurang Tollways Pvt. Ltd. was undertaken by ESMU for which desk review of safeguard related documents was carried out along with facts verification done during site visit conducted on 6th – 7th August, 2013 by ESMU team.</p> <p>Review of safeguard related information was also done for the period January – December 2014 for</p>

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




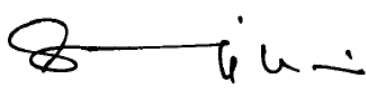
8.	<p>What were the main environmental, involuntary resettlement and indigenous peoples issues associated with this subproject that were identified through due diligence conducted by your organization, and how were the issues dealt with (i.e., outcome of due diligence)?</p>	<p><u>Environmental Safeguard</u></p> <p>BSCPL Aurang Tollways Pvt. Ltd. does not have any environmental issue associated with it.</p> <p>Institutional arrangement is available at sub-project level for implementation and monitoring of environmental aspects.</p> <p>The following documents were reviewed for the purpose of annual audit:</p> <ul style="list-style-type: none"> • Compliance Statement to conditions of Environmental Clearance (June 2014; Apr-Sept 2014; Oct 2014–Mar 2015); • Half yearly reports on environmental aspects (Jan-Jun 2014; April – Sept 2014; Oct 2014 - Mar 2015); • The LIE reports for the sub-project from January-December 2014; • Environmental Statement for the financial year 2014-15 • Quarterly environmental (Air, water and noise) monitoring reports (May 2014; October 2014; March 2015); • Independent Engineer's review of Quarterly Environmental Monitoring Report ending September 2014; • Accident data for the year 2014; • Report on borrow area rehabilitation. <p>Based on the documents received from the Concessionaire for the reporting period and site visit by ESMU during 13th-14th April, 2015, it can be stated that:</p> <ul style="list-style-type: none"> • The Concessionaire is submitting the six monthly compliance report to the conditions of Environmental Clearance on time and maintains reports implementation of EMP, which shows that the implementation of EMP is adequate at sub-project. • The environmental monitoring is being done at sub-project on periodic basis, the monitoring frequency is found to be adequate and the monitoring results are within the prescribed limits of regulatory norms. • Water sprinkling is being done on the haul road, base camp and plant area for dust control. • For effective implementation of Environmental Management Plan, Concessionaire has established an Environmental Cell headed by the Project Manager. The Environment Cell looks after day to day implementation of EMP, obtaining statutory clearances, conducting quarterly environmental monitoring and attending all MoEFCC/CGECB Compliance conditions as specified in Environmental
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		<p>Clearance.</p> <ul style="list-style-type: none"> During the Annual Compliance Monitoring Review, the ESMU team visited the sub-project site during 13th – 14th April 2015. During site visit it was observed that certain health and safety related aspects like use of dust masks by labour, were not being enforced by the developer, which was communicated immediately to the developer for corrective action during site visit. Concessionaire has ensured that all site staff working will wear safety gear appropriate to the activity in progress. <p><u>Social Safeguard:</u></p> <ul style="list-style-type: none"> There are no Rehabilitation and Resettlement issues in the project affected area. Since, major portion of encroachments encumbrances has been avoided by re-aligning of about 14 Kms. of the existing road and providing seven new bypasses of 30 km; The sub-project has been prepared by NHAI as per its own funding requirement and not anticipation to ADB operation; Land acquisition is being done by NHAI as per the applicable policy of NHAI Act-1956. The compensation for the loss of properties has been decided by competent authority. The payment of compensation is being paid through Cheque; Based on the available skill and qualification requirements, employment preference have been given to local labourers in the construction activity; Development of pond; Supply of drinking water through tankers as required by villagers; Enhancement of village road.
9.	Did you discuss with the Lead Bank the applicable environmental and social safeguard requirements and their implementation?	No, as IIFCL is a late entrant in project development.
10.	For category A subproject, were safeguards related documents such as EIA, RP and IPP, or audit reports made publicly available, in addition to posting on ADB's website?	<p>BSCPL Aurang Tollways Pvt. Ltd. does not fall under category A as per ADB's safeguard requirement.</p> <p>(If yes, please provide website link and the date the documents were uploaded.)</p>
11.	Were any conditions or covenants related to environmental and social issues made along with the investment?	<p>The compliance to the applicable laws of land is included as a covenant in the loan agreement signed by the Lead Bank and other consortium members with the Concessionaire.</p> <p>(If yes, please briefly describe.)</p>
12.	Does the investment comply with applicable government requirements?	Yes

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

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

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

Name of Organization	India Infrastructure Finance Company Limited (IIFCL), New Delhi	
Name of Sub-project	Development and Operation of NH- 79 on Chittorgarh - Neemach (MP Border) Section (Km183.000 to Km 221.400) by Four Laning and Nimbahera - Partapgarh Section (Km 5.400 to Km 80.000) of NH-113 by Two Laning in the State of Rajasthan through Public-Private Partnership on Design, Build, Finance, Operate and Transfer (DBFOT) basis Under NHDP-IVB	
Name of Sub-project Developer	Chetak Tollways Limited	
Reporting Period	January 2014 to December 2014	
Audit Activity	Name of Audit Team Member & Designation	Signature
Prepared by:	Mr. Krupasindhu Guru Assistant General Manager (Social Safeguards Specialist) ESMU ,IIFCL Dr. Bhavesh K Singh Environmental Safeguards Specialist-Consultant ESMU ,IIFCL	 
Reviewed by:	Dr. S.S. Garg, General Manager, ESMU, IIFCL	
Approved by Senior Staff with Overall responsibility for ESMS Implementation	Mr. Sanjeev Ghai, Chief General Manager, ESMU, IIFCL	

A. Environmental and Social Management System (ESMS)

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

¹ Reporting requirements outlined here pertained to ADB. Other DFIs also have similar requirements.

			<p>addendum are available on IIFCL's website (http://www.iifcl.org/Content/ESMU.aspx)</p> <p>(If yes, please attach a copy of the ESMS to this report. Please indicate the date that the ESMS was established.)</p>																									
2.	If there is an ESMS already in place, have there been any updates to the ESMS or policy and procedures adopted by your organization during the reporting period?	Yes	<p>During reporting period (January, 2014 to December, 2014) an Addendum was issued to the ESSF in the year 2014. The weblink of the detailed document is provided above. The purpose of the Addendum was to summarise the process of proposed due diligence process at IIFCL for determining the eligibility of sub projects for the World Bank financing under World Bank's line of credit.</p> <p>(If yes, please provide a copy of the updates including dates and reasons for the same.)</p>																									
3.	Has senior management signed off on the updated policy/procedure?	Yes	<p>The ESSF 2013 has been approved by IIFCL Board on 22nd September 2013.</p> <p>(If yes, please provide the date and internal communication indicating the same.)</p>																									
4.	Has your organization appointed staff tasked to implement the ESMS?	Yes	<p>Environmental and Social Safeguards Management Unit (ESMU) has been set up at IIFCL in 2010 to fulfil the environmental & social safeguard commitments based on ESSF guidelines.</p> <p>The ESMU currently is headed/ coordinated by a qualified full-time staff of IIFCL with two full-time environmental safeguards specialists and one full-time social safeguards specialist. In addition to this the department is also supported by one environmental safeguards specialist (Consultant) and one social safeguards specialist (Consultant). The details of the ESMU team as on 31st December 2014 are given below:</p> <table><tr><th>Sl. No</th><th>Name of Employee</th><th>Designation</th><th>Qualification</th><th>Experience in relevant field</th></tr><tr><td>1.</td><td>Dr. S. S. Garg</td><td>General Manager (GM)</td><td>Doctorate in Environmental Sciences, Diploma in Industrial Safety, Lead Auditor for ISO 14001 and OHSAS18001</td><td>20 yrs</td></tr><tr><td>2.</td><td>Dr. Ruchi Malik</td><td>Assistant General Manger (AGM)-Environment Specialist</td><td>Doctorate in Environmental Sciences</td><td>13 yrs</td></tr><tr><td>3.</td><td>Dr. Rashmi Kadian</td><td>Assistant General Manger (AGM)-Environment Specialist</td><td>Doctorate in Environmental Sciences</td><td>12 yrs</td></tr><tr><td>4.</td><td>Mr. Krupasindhu Guru</td><td>Assistant General Manger (AGM)-</td><td>Masters in Economics, Masters in Journalism.</td><td>13 yrs</td></tr></table>	Sl. No	Name of Employee	Designation	Qualification	Experience in relevant field	1.	Dr. S. S. Garg	General Manager (GM)	Doctorate in Environmental Sciences, Diploma in Industrial Safety, Lead Auditor for ISO 14001 and OHSAS18001	20 yrs	2.	Dr. Ruchi Malik	Assistant General Manger (AGM)-Environment Specialist	Doctorate in Environmental Sciences	13 yrs	3.	Dr. Rashmi Kadian	Assistant General Manger (AGM)-Environment Specialist	Doctorate in Environmental Sciences	12 yrs	4.	Mr. Krupasindhu Guru	Assistant General Manger (AGM)-	Masters in Economics, Masters in Journalism.	13 yrs
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8.	Please give details of any material social and environmental issues associated with clients during the reporting period in particular.		<p>The environmental and social safeguard requirement of any infrastructure project requires screening of vast quantum of data / information / statutory approvals / permits / periodic compliance monitoring reports etc. as per National safeguards requirements. Extracting this information from the developer is a time consuming process and is a challenging task.</p> <p>In case of social safeguards, IIFCL relies on the information provided by the Concessionaire.</p>
9.	In case the existing ESMS is not fully functional, what are the action plan being implemented by your organization?		<p>Presently, existing ESMU is functional. Head ESMU was recruited in October 2014 and one full time Environmental Specialist was recruited in November 2014. The position of Social Safeguard Specialist was advertised but not filled due lack of suitable candidate. This will be filled up shortly.</p> <p>(Please provide information or cite recommendation made by DFI's review mission to improve the ESMS and its implementation.)</p>
Capacity		Yes/ No	
10.	Please provide the name and contact information of the senior staff who has the overall responsibility for the implementation of ESMS.	Yes	<p>Mr Sanjeev Ghai, Chief General Manager has the overall responsibility for the implementation of ESSF. His contact information are provided below:</p> <p>Telephone : +91 11 23450263, 23450261 (Direct); Email : sanjeevghai@iifcl.org</p> <p>(Please describe the training or learning activities the Environmental/Social Officer or Coordinator attended during the year.)</p>
11.	Please provide current staffing of other core ESMS persons in the organization involved with ESMS implementation.	Yes	<p>Please refer Section A, point no. 4 for details of ESMU persons of IIFCL.</p> <p>Please find attached details of Training programmes attended by ESMS Staff during reporting period of January 2014 to December 2014 as Annexure-I.</p> <p>(Please describe the training provided to the ESMS persons and other team members during the year.)</p>
12.	What was the budget allocated to the ESMS and its implementation during the year?	Yes	<p>ESMU is the core team of IIFCL and requisite budgetary provision is a part of IIFCL's overall budget</p> <p>(Please provide budget details including staff costs and training as well as any actual costs.)</p>
Monitoring			
13.	Do you receive environmental and social monitoring reports from Lead Banks/Borrowers?	Yes	<p>The project is monitored through Lenders Engineer's reporting. The Lender's Independent Engineer is appointed by the Lead Bank of the Lender's Consortium to monitor the physical, financial progress and the compliance of various regulatory requirements. LIE reports are provided by the Lead Bank to the IIFCL. The LIE reports cover areas related to statutory approval status, forest diversion, tree cutting status, safety management, land diversion status and pending litigation etc.</p> <p>From Borrowers, IIFCL receives reports on implementation of EMP, reports on monitoring of environmental parameters, status of safety management, accident incident data, six monthly compliance reports etc.</p> <p>(If yes, please describe and provide supporting documents including any social and environmental considerations if applicable.)</p>

14.	Do you check for ongoing compliance of your clients with national regulation and any other requirements?	Yes	<p>During the environmental and social due diligence study and subsequent audit, the compliance of the project with the applicable regulation is checked with available documentation. The site visit is carried out by ESMU for field verification.</p> <p>(If yes, please describe the process including any social and environmental considerations if applicable.)</p>
15.	Please describe how you monitor the clients and their investments' social and environmental performance.		<p>The social and environmental performances are checked during the preparation of Environmental and Social Due Diligence Report and annual audit. Each approved project is evaluated for its environmental safeguard compliance performance against the applicable safeguard requirements at the time of audit. The compliance status is also assessed through the LIE report which covers the statutory approval status, forest diversion, tree cutting status, safety management, land diversion status and pending litigation etc; reports on implementation of EMP, reports on monitoring of environmental parameters, status of safety management, six monthly compliance reports and through site visits.</p> <p>Out of the 8 sub-projects approved under AIIFI, site visit was conducted for 4 sub-projects in the year 2014 for the purpose of ESDDR preparation. For other three sub-projects, whose site visit was done for ESDDR purpose during the year 2013, these sub-projects were visited in early 2015 for audit purpose.</p> <p>The 8th sub-project, i.e. MEP Infrastructure Project was visited by safeguards staff during May 2013 as part of ESDDR preparation and has been approved under Takeout Finance Scheme by ADB. The project scope of work involves Securitization of Five Mumbai Entry Points along with maintenance of Flyovers and allied structures in and around Mumbai Region. The Project Facility is being operated and maintained by Concessionaire or through sub-Contractors if required, and major work involves Toll collection, Minor road repairing work, routine/periodic maintenance activities including plantation/beautification work & safety management. Considering this scope of work, site visit was not considered necessary for audit purposes.</p> <p>(Please describe and provide supporting documents such as environmental and social monitoring reports and please provide information on the number of subprojects where a field visit was conducted by staff to review aspects including social and environmental issues.)</p>
16.	<p>Please provide details of any accidents/litigation/complaints /regulatory notices and fines:</p> <ul style="list-style-type: none"> - Any incidents of non-compliance with the applicable Environmental and Social Requirements - Covenants/conditions imposed by IIFCL to the client as a result of any non-compliance 		The project specific details are provided in Section 'C'.

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

B. Activities on DFI's Prohibited Investment Activities List

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

C. Subprojects Using DFI Funds

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

1.	Name of Subproject:	<p>Subproject Developer: Chetak Tollways Ltd.</p> <p>Sub-project: Development and Operation of NH- 79 on Chittorgarh - Neemach (MP Border) Section (Km183.000 to Km 221.400) by Four Laning and Nimbahera - Partapgarh Section (Km 5.400 to Km 80.000) of NH-113 by Two Laning in the State of Rajasthan through Public-Private Partnership on Design, Build, Finance, Operate and Transfer (DBFOT) basis Under NHDP-IVB.</p>
2.	Location:	<p>Project Highway NH-79(four laning) from Chittorgarh to Neemuch (MP Border), starts from km 183+000 and ends at km 221+400 in the State of Rajasthan.</p> <p>Project Highway NH-113 (two laning) from Nimbahera to Pratapgarh Section starts from km 0+000 and ends at km 80+000 in the State of Rajasthan.</p>
3.	Sector:	Highways and Roads





4.	Total loan from IIFCL/DFI (US\$ mn):	\$ 9,739,482.66
5.	Safeguard category: (Annex E-3)	Category- B
6.	Were any environmental and social due diligence undertaken by your organization?	<p>Yes, Environmental and Social Due Diligence (ESDD) study was carried out by the ESMU team of IIFCL based on the review of information/Documents/NOCs/Consents/ Permissions and field verification during site visit (17th-18th July, 2014).</p> <p>To see the environmental, health, safety and social compliance aspects including land acquisition status of the projects IIFCL team (Dr. S. S. Garg, Head and GM along with ADB Fact finding mission team) again visited the site during 17th - 19th June, 2015.</p> <p>The sub-project has been approved by ADB in September, 2014.</p> <p>Review of safeguard related information was also done for the period January – December 2014 for annual audit purpose</p> <p>(If yes, provide information on due diligence activities, such as desk review of safeguard documents, and field visit, and by whom.)</p>
7.	Any environmental assessment report (including environmental management plan), involuntary resettlement plan, or indigenous peoples plan, or audit reports reviewed by your organization?	<p>The Environmental and Social Safeguard Due-Diligence study was carried out for the sub-project on the basis of site visit observations and understanding project scope based on information and documents provided by the Concessionaire:</p> <p>Environment Safeguards: The following documents were referred/reviewed in order to prepare Environmental Safeguards Due-Diligence Report:</p> <ul style="list-style-type: none"> (i) EIA/EMP as prepared by Consulting Engineers Group Ltd.; (ii) Project's statutory clearances/consents/ approvals and permits (iii) Environmental Parameters Monitoring reports (iv) Traffic Management Plan for Construction Scenarios (v) Lender Engineer Report (vi) Concession Agreement (vii) EPC Contract Documents; <p>Social Safeguards: To ensure the safeguard compliance, following documents were reviewed by ESMU:</p> <ul style="list-style-type: none"> • Feasibility Report of the Project; • EIA/EMP Report; • Details of Public Hearing; • Gazette Notifications regarding Land Acquisition; • Right of Way Hand over letter; • Lender's Independent Engineer's report, March 2015; • Information pertaining to justification of alignment selection; <p>(If yes, please provide the names of documents reviewed.)</p>

8.	<p>What were the main environmental, involuntary resettlement and indigenous peoples issues associated with this subproject that were identified through due diligence conducted by your organization, and how were the issues dealt with (i.e., outcome of due diligence)?</p>	<p>Environment Safeguards:</p> <p>During ESDDR preparation no environmental issues were identified for addressal for the project.</p> <p>The following documents were reviewed for the purpose of annual audit:</p> <ul style="list-style-type: none"> (i) EIA/EMP as prepared by Consulting Engineers Group Ltd.; (ii) Project's statutory clearances/consents/ approvals and permits; (iii) Environmental Parameters Monitoring reports(May and November, 2014); (iv) Six Monthly Compliance Report (1st Half), 2014; (v) Traffic Management Plan for Construction Scenarios; (vi) Lender Engineer Reports;. (vii) Concession Agreement; (viii) EPC Contract Documents; <p>Following are the observations / outcome of the review of documents / information for annual audit:</p> <ul style="list-style-type: none"> • Environmental monitoring for air, soil water and noise was carried out in May and November 2014. The concentrations/levels of monitored parameters are found well below the prescribed standards. It is also assessed that monitoring carried out was adequate for compliance status; • Based on the documents review and site visit in July, 2014, it is concluded that HSE implementation status is adequate; • In this project, there is proposal of 11.99 Ha of forest diversion and realignment for 3 km are held up for land availability; • The project road passes through forest area from km 45/280 to 48/950 in Barol block (length 3.670 km) and Im 49/080 to 49/900 (length 0.82 km) in Kala Khat block. Stage-I clearance for forest land has been obtained under forest (Conservation) Act, 1980 from regional office (Lucknow) of MOEF, GOI and Stage II clearance is awaited. Project developer has confirmed that construction in forest stretch has not been carried out so far and work will commence only after the requisite forest clearance is obtained. IIFCL has asked the project developer to inform about status of Stage-II Forest Clearance as soon as it is received from MoEF. • Realignment work has already been done as acquisition of non-available land is completed by govt. authority; • There were two major impediments in the form of religious structures (Mazars) at Ch.189+000 and 227+000 NH-79 which has been relocated. ; • In the meantime, safety of religious structures has been ensured by suitable barricading and direction sign. Two carriageway of 3.5 m and 7.5 m width have been made duly black topped on either side of the structure; • All applicable consents/NOCs/clearances were obtained and valid during the audit period; • Good housekeeping and proper control measures are adopted in keeping the camp office clean. <p>Social Safeguards: During the due diligence study, it was noted that.</p>
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		<ul style="list-style-type: none"> Land acquisition is being done by Public Works Department (PWD), Rajasthan, as per the applicable policy; Though no separate Resettlement Action Plan (RAP) has been prepared but a short RAP, a separate section has been prepared for this project which is a part of EIA/EMP report; No Tribal People are affected due to the project; The subproject developer has saved few number of religious structures by slightly shifting road alignment; The affected people are being compensated for loss of land and structures, according to the policies and procedures of Public Works Department (PWD), Rajasthan; The compensation for the loss of land has been paid by the competent authority considering the market value obtained from the Revenue Department of the state. The sub-project has been prepared by PWD as per its own funding requirement and not anticipation to ADB operation; Local labours are being engaged in the construction activities for skilled as well as unskilled activities;
9.	Did you discuss with the Lead Bank the applicable environmental and social safeguard requirements and their implementation?	No, as IIFCL is a late entrant in project development
10.	For category A subproject, were safeguards related documents such as EIA, RP and IPP, or audit reports made publicly available, in addition to posting on ADB's website?	Chetak Tollways Ltd. does not fall under category A as per ADB's safeguard requirements (If yes, please provide website link and the date the documents were uploaded.)
11.	Were any conditions or covenants related to environmental and social issues made along with the investment?	The compliance to the applicable laws of land is included as a covenant in the loan agreement signed by the Lead Bank and other consortium members with the Concessionaire.
12.	Does the investment comply with applicable government requirements?	Yes
13.	Does the investment comply with applicable DFI safeguard requirements?	Yes

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

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

Name of Organization	India Infrastructure Finance Company Limited (IIFCL), New Delhi	
Name of Sub-project	Widening and Improvement of existing 4 lane to 6-lane from Etawah to Chakeri (km. 323.475 to km.483.687) section of NH-2 in the State of Uttar Pradesh under NHDP Phase-V through public, private partnership (PPP) on Design, Built, Finance, Operate and Transfer (DBFOT) Toll basis.	
Name of Sub-project Developer	Etawah Chakeri Kanpur Highways Pvt. Ltd.	
Reporting Period	January 2014 to December 2014	
Audit Activity	Name of Audit Team Member & Designation	Signature
Prepared by:	Mr. Krupasindhu Guru Assistant General Manager (Social Safeguards Specialist) ESMU ,IIFCL Dr. Bhavesh K Singh Environmental Safeguards Specialist-Consultant ESMU ,IIFCL	 
Reviewed by:	Dr. S.S. Garg, General Manager, ESMU, IIFCL	
Approved by Senior Staff with Overall responsibility for ESMS Implementation	Mr. Sanjeev Ghai, Chief General Manager, ESMU, IIFCL	

A. Environmental and Social Management System (ESMS)

	Policies & Processes	Yes/No	
1.	Has your organization developed and implemented an ESMS?	Yes	ESSF was adopted by IIFCL in October 2008 which was subsequently revised in November 2010 and July 2013 and Addendum to the ESSF for the World Bank financed projects was issued in the year 2014. The latest revised ESSF of July 2013 and addendum are available on IIFCL's website (http:// www.iifcl.org/Content/ESMU.aspx)

¹ Reporting requirements outlined here pertained to ADB. Other DFIs also have similar requirements.

			(If yes, please attach a copy of the ESMS to this report. Please indicate the date that the ESMS was established.)																									
2.	If there is an ESMS already in place, have there been any updates to the ESMS or policy and procedures adopted by your organization during the reporting period?	Yes	<p>During reporting period (January, 2014 to December, 2014) an Addendum was issued to the ESSF in the year 2014. The weblink of the detailed document is provided above. The purpose of the Addendum was to summarise the process of proposed due diligence process at IIFCL for determining the eligibility of sub-projects for the World Bank financing under World Bank's line of credit.</p> <p>(If yes, please provide a copy of the updates including dates and reasons for the same.)</p>																									
3.	Has senior management signed off on the updated policy/procedure?	Yes	<p>The ESSF 2013 has been approved by IIFCL Board on 22nd September 2013.</p> <p>(If yes, please provide the date and internal communication indicating the same.)</p>																									
4.	Has your organization appointed staff tasked to implement the ESMS?	Yes	<p>Environmental and Social Safeguards Management Unit (ESMU) has been set up at IIFCL in 2010 to fulfil the environmental & social safeguard commitments based on ESSF guidelines.</p> <p>The ESMU currently is headed/ coordinated by a qualified full-time staff of IIFCL with two full-time environmental safeguards specialists and one full-time social safeguards specialist. In addition to this the department is also supported by one environmental safeguards specialist (Consultant) and one social safeguards specialist (Consultant). The details of the ESMU team as on 31st December 2014 are given below:</p> <table><tr><th>Sl. No</th><th>Name of Employee</th><th>Designation</th><th>Qualification</th><th>Experience in relevant field</th></tr><tr><td>1.</td><td>Dr. S. S. Garg</td><td>General Manager (GM)</td><td>Doctorate in Environmental Sciences, Diploma in Industrial Safety, Lead Auditor for ISO 14001 and OHSAS18001</td><td>20 yrs</td></tr><tr><td>2.</td><td>Dr. Ruchi Malik</td><td>Assistant General Manager (AGM)-Environment Specialist</td><td>Doctorate in Environmental Sciences</td><td>13 yrs</td></tr><tr><td>3.</td><td>Dr. Rashmi Kadian</td><td>Assistant General Manager (AGM)-Environment Specialist</td><td>Doctorate in Environmental Sciences</td><td>12 yrs</td></tr><tr><td>4.</td><td>Mr. Krupasindhu Guru</td><td>Assistant General Manager (AGM)-Social</td><td>Masters in Economics, Masters in Journalism, and LLB</td><td>13 yrs</td></tr></table>	Sl. No	Name of Employee	Designation	Qualification	Experience in relevant field	1.	Dr. S. S. Garg	General Manager (GM)	Doctorate in Environmental Sciences, Diploma in Industrial Safety, Lead Auditor for ISO 14001 and OHSAS18001	20 yrs	2.	Dr. Ruchi Malik	Assistant General Manager (AGM)-Environment Specialist	Doctorate in Environmental Sciences	13 yrs	3.	Dr. Rashmi Kadian	Assistant General Manager (AGM)-Environment Specialist	Doctorate in Environmental Sciences	12 yrs	4.	Mr. Krupasindhu Guru	Assistant General Manager (AGM)-Social	Masters in Economics, Masters in Journalism, and LLB	13 yrs
Sl. No	Name of Employee	Designation	Qualification	Experience in relevant field																								
1.	Dr. S. S. Garg	General Manager (GM)	Doctorate in Environmental Sciences, Diploma in Industrial Safety, Lead Auditor for ISO 14001 and OHSAS18001	20 yrs																								
2.	Dr. Ruchi Malik	Assistant General Manager (AGM)-Environment Specialist	Doctorate in Environmental Sciences	13 yrs																								
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4.	Mr. Krupasindhu Guru	Assistant General Manager (AGM)-Social	Masters in Economics, Masters in Journalism, and LLB	13 yrs																								

			<table><tr><td></td><td></td><td>Specialist</td><td></td><td></td></tr><tr><td>5.</td><td>Dr. Bhavesh Kumar Singh</td><td>Environmental Safeguards Specialist-Consultant</td><td>Doctorate in Environmental Sciences</td><td>18 yrs</td></tr><tr><td>6.</td><td>Rumita Chowdhury</td><td>Social Safeguards Specialist-Consultant</td><td>Masters in Sociology</td><td>11 yrs</td></tr></table>			Specialist			5.	Dr. Bhavesh Kumar Singh	Environmental Safeguards Specialist-Consultant	Doctorate in Environmental Sciences	18 yrs	6.	Rumita Chowdhury	Social Safeguards Specialist-Consultant	Masters in Sociology	11 yrs
		Specialist																
5.	Dr. Bhavesh Kumar Singh	Environmental Safeguards Specialist-Consultant	Doctorate in Environmental Sciences	18 yrs														
6.	Rumita Chowdhury	Social Safeguards Specialist-Consultant	Masters in Sociology	11 yrs														
			(If yes, please provide information on number of staff and qualification (experience and education background) to implement the ESMS.)															
5.	Please give details of any transactions rejected due to environmental and/or social concerns.	No	During the reporting period (January – December 2014) no transactions were rejected due to environmental and / or social concerns.															
6.	Please state any difficulties and/or constraints related to the implementation of the ESMS.		<p>One of the pre requisites for getting funding (multilateral/bilateral financial institutions like World Bank, Asian Development Bank and European Investment Bank) under line of credit is the evaluation of the subprojects on environmental and social issues. The ESSF of IIFCL provides an enabling mechanism to IIFCL to meet environmental and social safeguard requirements associated with sub-projects..</p> <p>As per the mandate, IIFCL finances upto 20% of project cost or 80% of the lead bank share whichever is lower, thus, IIFCL is a minor partner in the consortium. IIFCL follows the ESSF, whereas the other lending partners do not have such safeguard framework.</p> <p>The environmental and social safeguard requirement of any infrastructure project requires screening of vast quantum of data / information / statutory approvals / permits / periodic compliance monitoring reports etc. as per National safeguards requirements. Extracting this information from the developer is a time consuming process and is a challenging task.</p> <p>In case of social safeguards, IIFCL relies on the information provided by the Concessionaire.</p>															
7.	Please describe how you ensure that your clients and their investments are operated in compliance with the national laws and regulations and applicable DFI's safeguard requirements.		<p>In the Common Loan Agreement for each project funded by IIFCL, certain covenants are always put up reflecting concessionaire's liability to comply with applicable laws of land as required for project implementation.</p> <p>The safeguard compliance status of the project is examined during the due diligence study of the project. After the approval of the project by the DFIs, ESMU conducts annual audit of the projects to review whether the projects are operated in compliance with the applicable laws and regulations.</p> <p>To ensure compliance with DFIs safeguards requirements reports on implementation of EMP, reports on monitoring of environmental parameters, status of safety management, periodic LIE reports and six monthly compliance reports are generally shared by developer with IIFCL. The borrowers also engage safety officers/engineers to look after the safety, health and environment related aspects.</p>															
8.	Please give details of any material social and environmental issues		The environmental and social safeguard requirement of any infrastructure project requires screening of vast quantum of data / information / statutory approvals / permits / periodic compliance															

	associated with clients during the reporting period in particular.		monitoring reports etc. as per National safeguards requirements. Extracting this information from the developer is a time consuming process and is a challenging task. In case of social safeguards, IIFCL relies on the information provided by the Concessionaire.
9.	In case the existing ESMS is not fully functional, what are the action plan beining implemented by your organization?		Presently, existing ESMU is functional. Head ESMU was recruited in October 2014 and one full time Environmental Specialist was recruited in November 2014. The position of Social Safeguard Specialist was advertised but not filled due lack of suitable candidate. This will be filled up shortly. (Please provide information or cite recommendation made by DFI's review mission to improve the ESMS and its implementation.)
Capacity		Yes/ No	
10.	Please provide the name and contact information of the senior staff who has the overall responsibility for the implementation of ESMS.	Yes	Mr Sanjeev Ghai, Chief General Manager has the overall resposibilty for the implementation of ESSF. His contact information are provided below: Telephone : +91 11 23450263, 23450261 (Direct); Email : sanjeevghai@iifcl.org (Please describe the training or learning activities the Environmental/Social Officer or Coordinator attended during the year.)
11.	Please provide current staffing of other core ESMS persons in the organization involved with ESMS implementation.	Yes	Please refer Section A, point no. 4 for details of ESMU persons of IIFCL. Please find attached details of Training programmes attended by ESMS Staff during reporting period of January 2014 to December 2014 as Annexure-I . (Please describe the training provided to the ESMS persons and other team members during the year.)
12.	What was the budget allocated to the ESMS and its implementation during the year?	Yes	ESMU is the core team of IIFCL and requisite budgetory provision is a part of IIFCL's overall budget (Please provide budget details including staff costs and training as well as any actual costs.)
Monitoring			
13.	Do you receive environmental and social monitoring reports from Lead Banks/Borrowers?	Yes	The project is monitored through Lenders Engineer's reporting. The Lender's Independent Engineer is appointed by the Lead Bank of the Lender's Consortium to monitor the physical, financial progress and the compliance of various regulatory requirements. LIE reports are provided by the Lead Bank to the IIFCL. The LIE reports cover areas related to statutory approval status, forest diversion, tree cutting status, safety management, land diversion status and pending litigation etc. From Borrowers, IIFCL receives reports on implementation of EMP, reports on monitoring of environmental parameters, status of safety management, accident incident data, six monthly compliance reports etc. (If yes, please describe and provide supporting documents including any social and environmental considerations if applicable.)
14.	Do you check for ongoing	Yes	During the environmental and social due diligence study and

.	compliance of your clients with national regulation and any other requirements?		<p>subsequent audit, the compliance of the project with the applicable regulation is checked with available documentation. The site visit is carried out by ESMU for field verification.</p> <p>(If yes, please describe the process including any social and environmental considerations if applicable.)</p>
15	<p>Please describe how you monitor the clients and their investments' social and environmental performance.</p>		<p>The social and environmental performances are checked during the preparation of Environmental and Social Due Diligence Report and annual audit. Each approved project is evaluated for its environmental safeguard compliance performance against the applicable safeguard requirements at the time of audit. The compliance status is also assessed through the LIE report which covers the statutory approval status, forest diversion, tree cutting status, safety management, land diversion status and pending litigation etc; reports on implementation of EMP, reports on monitoring of environmental parameters, status of safety management, six monthly compliance reports and through site visits.</p> <p>Out of the 8 sub-projects approved under AIIFI, site visit was conducted for 4 sub-projects in the year 2014 for the purpose of ESDDR preparation. For other three sub-projects, whose site visit was done for ESDDR purpose during the year 2013, these sub-projects were visited in early 2015 for audit purpose.</p> <p>The 8th sub-project, i.e. MEP Infrastructure Project was visited by safeguards staff during May 2013 as part of ESDDR preparation and has been approved under Takeout Finance Scheme by ADB. The project scope of work involves Securitization of Five Mumbai Entry Points along with maintenance of Flyovers and allied structures in and around Mumbai Region. The Project Facility is being operated and maintained by Concessionaire or through sub-Contractors if required, and major work involves Toll collection, Minor road repairing work, routine/periodic maintenance activities including plantation/beautification work & safety management. Considering this scope of work, site visit was not considered necessary for audit purposes.</p> <p>(Please describe and provide supporting documents such as environmental and social monitoring reports and please provide information on the number of subprojects where a field visit was conducted by staff to review aspects including social and environmental issues.)</p>
16	<p>Please provide details of any accidents/litigation/complaints /regulatory notices and fines:</p> <ul style="list-style-type: none"> - Any incidents of non-compliance with the applicable Environmental and Social Requirements - Covenants/conditions imposed by IIFCL to the client as a result of any non-compliance 		<p>The project specific details are provided in Section 'C'.</p>
Reporting			
17	Is there an internal process to report on social and environmental issues to Senior	Yes	<p>The ESDDR (one time document) and Audit sheets are approved by the Senior Management.</p> <p>The ESDDR is a detailed report on environmental and social</p>

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

B. Activities on DFI's Prohibited Investment Activities List

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

C. Subprojects Using DFI Funds

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

1.	Name of Subproject:	Subproject Developer: Etawah-Chakeri Kanpur Highways Pvt. Ltd. Sub-project: Widening and Improvement of existing 4 lane to 6-lane from Etawah to Chakeri (km. 323.475 to km.483.687) section of NH-2 in the State of Uttar Pradesh under NHDP Phase-V through public, private partnership (PPP) on Design, Built, Finance, Operate and Transfer (DBFOT) Toll basis.
2.	Location:	The Project Highway starts at Etawah bypass and ends near Chakeri, it passes through four districts i.e. Etawah, Auraiya, Ramabai Nagar and Kanpur in the State of Uttar Pradesh.
3.	Sector:	Highways and Roads
4.	Total loan from IIFCL/DFI (US\$ mn):	\$ 28,677,939.82
5.	Safeguard category: (Annex E-3)	Category- B
6.	Were any environmental and social due diligence undertaken by your organization?	Yes, Environmental and Social Due Diligence (ESDD) study was carried out by the ESMU of IIFCL based on the review of information/Documents/NOCs/Consents/Permissions and field verification during site visit (10 th -11 th July, 2014). The sub-project has been approved by ADB in September, 2014. Review of safeguard related information was also done for the period January – December 2014 for annual audit purpose (If yes, provide information on due diligence activities, such as desk review of safeguard documents, and field visit, and by whom.)

7.	Any environmental assessment report (including environmental management plan), involuntary resettlement plan, or indigenous peoples plan, or audit reports reviewed by your organization?	<p>The Environmental and Social Safeguard Due-Diligence study was carried out for the sub-project on the basis of site visit observations and understanding project scope based on information and documents provided by the Concessionaire:</p> <p>Environment Safeguards: The following documents were referred/reviewed in order to prepare Environmental Safeguards Due-Diligence Report:</p> <ul style="list-style-type: none"> (i) EIA/EMP as prepared by Consulting Engineers Group Ltd.; (ii) Project Environmental Management Plan (iii) Project's statutory clearances/consents/ approvals and permits (iv) Environmental Parameters Monitoring reports (v) Project HSE documents (vi) Details of overall traffic and road safety measures being implemented in the sub project; (vii) Progress Review Reports prepared by Unihorn (India) Pvt. Ltd. (viii) Concession Agreement (ix) EPC Contract Documents; (x) Project Information Memorandum <p>Social Safeguards: To ensure the safeguard compliance, following documents were reviewed by ESMU:</p> <ul style="list-style-type: none"> (xi) Project information memorandum; (xii) Feasibility Report as prepared by NHAI; (xiii) Gazette Notification for Land Acquisition; (xiv) Lender's Independent Engineer's report, November 2013; (xv) Information regarding formal public hearing; <p>(If yes, please provide the names of documents reviewed.)</p>
8.	What were the main environmental, involuntary resettlement and indigenous peoples issues associated with this subproject that were identified through due diligence conducted by your organization, and how were the issues dealt with (i.e., outcome of due diligence)?	<p>Environment Safeguards:</p> <p>During ESDDR preparation no environmental issues were identified for addressal for the project.</p> <p>The following documents were reviewed for the purpose of annual audit:</p> <ul style="list-style-type: none"> (i) EIA/EMP as prepared by Consulting Engineers Group Ltd.; (ii) Project Environmental Management Plan; (iii) Project's statutory clearances/consents/ approvals and permits; (iv) Environmental Parameters Monitoring reports(Feb-Mar, May, September and December, 2014); (v) Project HSE documents including Monthly project safety reports and summary of accident/incident data (January to December, 2014); (vi) Details of overall traffic and road safety measures being implemented in the sub project;





		<p>(vii) Progress Review Reports prepared by Unihorn (India) Pvt. Ltd. (Jan to Dec, 2014);</p> <p>(viii) Details of rehabilitation measures for quarry and borrow are management;</p> <p>(ix) Details of activities related to safety awareness programs</p> <p>Following are the observations / outcome of the review of documents / information for annual audit:</p> <ul style="list-style-type: none"> • Environmental monitoring for air, soil, water and noise was carried out seasonally (Feb-Mar, May, Sep and Dec 2014). The concentrations/levels of monitored parameters are found well below the prescribed standards. It is also assessed that monitoring carried out was adequate for compliance status; • Accident/incident data analysed and appropriate measures are being taken by the developer to prevent the reoccurrence of the accident/incident. Based on the documents review and site visit in July, 2014, it is concluded that HSE implementation status is adequate; • As per Progress Review Report (Dec, 2014), tree cutting is on progress. Out of 10799 trees 10137 trees were cut. • All applicable consents/NOCs/clearances were obtained and valid during the audit period; • Six monthly compliance reports were submitted for the year 2014. • Good housekeeping and proper control measures are adopted in keeping the camp office neat and clean. <p>Social Safeguards: During the due diligence study, it was noted that.</p> <ul style="list-style-type: none"> • No outstanding grievance/issue with respect to the land acquisition and compensation; • Since the land was already available with the concessionaire, the construction work has been accommodated within the existing RoW and no additional land acquisition has been made in the built up area; • Borrow area have been developed as cultivable land; • Local labours are being engaged in the construction activities for unskilled activities; • The subproject is not affecting any Tribal people; • The major portion of land acquisition was completed during the time of 4 laning of the project so no substantial resettlement impact of any private structures like; residential, commercial, residential cum commercial structures are being affected due to the 6 laning of the sub-project.
9.	Did you discuss with the Lead Bank the applicable environmental and social safeguard requirements and their implementation?	No, as IIFCL is a late entrant in project development
10.	For category A subproject, were safeguards related documents such as EIA, RP and IPP, or audit reports made publicly available, in	Etawah-Chakeri Kanpur Highways Pvt. Ltd. does not fall under category A as per ADB's safeguard requirements

Etawah-Chakeri Kanpur Highways Pvt. Ltd.

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

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

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

Name of Organization	India Infrastructure Finance Company Limited (IIFCL), New Delhi	
Name of Sub-project	Securitization of five Mumbai Entry Points along with maintenance of flyovers and allied structures	
Name of Sub-project Developer	MEP Infrastructure Private Limited	
Reporting Period	January 2014 to December 2014	
Audit Activity	Name of Audit Team Member & Designation	Signature
Prepared by:	Dr. Ruchi Malik Assistant General Manager (Environment Specialist) ESMU, IIFCL	
	Ms. Rumita Chowdhury. Social Safeguard Specialist- Consultant ESMU, IIFCL	
Reviewed by:	Dr. S.S. Garg, General Manager, ESMU, IIFCL	
Approved by Senior Staff with Overall responsibility for ESMS Implementation	Mr. Sanjeev Ghai, Chief General Manager, ESMU, IIFCL	

A. Environmental and Social Management System (ESMS)

Sr. No.	Policies & Processes	Yes/No	
1.	Has your organization developed and implemented an ESMS?	Yes	ESSF was adopted by IIFCL in October 2008 which was subsequently revised in November, 2010 and July 2013 and Addendum to the ESSF for World Bank financed projects was issued in year 2014. The latest revised ESSF of July 2013 and Addendum are available on IIFCL's website http:// www.iifcl.org/Content/ESMU.aspx

¹ Reporting requirements outlined here pertained to ADB. Other DFIs also have similar requirements.

			(If yes, please attach a copy of the ESMS to this report. Please indicate the date that the ESMS was established.)																									
2.	If there is an ESMS already in place, have there been any updates to the ESMS or policy and procedures adopted by your organization during the reporting period?	Yes	<p>During reporting period (January, 2014 to December, 2014) an Addendum was issued to the ESSF. The weblink of the detailed document is provided above. The purpose of the Addendum was to summarise the process of proposed due diligence process at IIFCL for determining the eligibility of sub-projects for the World Bank financing under World Bank's line of credit.</p> <p>(If yes, please provide a copy of the updates including dates and reasons for the same.)</p>																									
3.	Has senior management signed off on the updated policy/ procedure?	Yes	<p>The ESSF 2013 has been approved by IIFCL Board on 22nd September 2013.</p> <p>(If yes, please provide the date and internal communication indicating the same.)</p>																									
4.	Has your organization appointed staff tasked to implement the ESMS?	Yes	<p>Environmental and Social Safeguards Management Unit (ESMU) has been set up at IIFCL in 2010 to fulfil the environmental & social safeguard commitments based on ESSF guidelines.</p> <p>The ESMU is headed/ coordinated by a qualified full-time staff of IIFCL and currently two full-time environmental safeguards specialists and one full-time social safeguards specialist are engaged. In addition to this, the department is also supported by one environmental safeguards specialist (Consultant) and one social safeguards specialist (Consultant). The details of the ESMU team as on 31st December, 2014 are given below:</p> <table><tr><th>Sl. No</th><th>Name of Employee</th><th>Designation</th><th>Qualification</th><th>Experience in relevant field</th></tr><tr><td>1.</td><td>Dr. S. S. Garg</td><td>General Manager</td><td>Doctorate in Environmental Sciences, Diploma in Industrial Safety, Lead Auditor for ISO 14001 and OHSAS18001.</td><td>20 yrs</td></tr><tr><td>2.</td><td>Dr. Ruchi Malik</td><td>Assistant General Manger - Environment Specialist</td><td>Doctorate in Environmental Sciences</td><td>13 yrs</td></tr><tr><td>3.</td><td>Dr. Rashmi Kadian</td><td>Assistant General Manger - Environment Specialist</td><td>Doctorate in Environmental Sciences</td><td>12 yrs</td></tr><tr><td>4.</td><td>Mr. Krupasin</td><td>Assistant General</td><td>Masters in Economics.</td><td>13 yrs</td></tr></table>	Sl. No	Name of Employee	Designation	Qualification	Experience in relevant field	1.	Dr. S. S. Garg	General Manager	Doctorate in Environmental Sciences, Diploma in Industrial Safety, Lead Auditor for ISO 14001 and OHSAS18001.	20 yrs	2.	Dr. Ruchi Malik	Assistant General Manger - Environment Specialist	Doctorate in Environmental Sciences	13 yrs	3.	Dr. Rashmi Kadian	Assistant General Manger - Environment Specialist	Doctorate in Environmental Sciences	12 yrs	4.	Mr. Krupasin	Assistant General	Masters in Economics.	13 yrs
Sl. No	Name of Employee	Designation	Qualification	Experience in relevant field																								
1.	Dr. S. S. Garg	General Manager	Doctorate in Environmental Sciences, Diploma in Industrial Safety, Lead Auditor for ISO 14001 and OHSAS18001.	20 yrs																								
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			<table><tr><td></td><td>dhu Guru</td><td>Manger - Social Specialist</td><td>Masters in Journalism, andLLB</td><td></td></tr><tr><td>5.</td><td>Dr. Bhavesh Kumar Singh</td><td>Environment al Safeguards Specialist – Consultant</td><td>Doctorate in Environment al Sciences</td><td>18 yrs</td></tr><tr><td>6.</td><td>Ms. Rumita Chowdhury</td><td>Social Safeguards Specialist - Consultant</td><td>Masters in Sociology</td><td>11 yrs</td></tr></table> <p>(IF yes, please provide information on number of staff and qualification (experience and education backgroud) to implement the ESMS.)</p>		dhu Guru	Manger - Social Specialist	Masters in Journalism, andLLB		5.	Dr. Bhavesh Kumar Singh	Environment al Safeguards Specialist – Consultant	Doctorate in Environment al Sciences	18 yrs	6.	Ms. Rumita Chowdhury	Social Safeguards Specialist - Consultant	Masters in Sociology	11 yrs
	dhu Guru	Manger - Social Specialist	Masters in Journalism, andLLB															
5.	Dr. Bhavesh Kumar Singh	Environment al Safeguards Specialist – Consultant	Doctorate in Environment al Sciences	18 yrs														
6.	Ms. Rumita Chowdhury	Social Safeguards Specialist - Consultant	Masters in Sociology	11 yrs														
5.	Please give details of any transactions rejected due to environmental and/or social concerns.	No	During the reporting period (January – December 2014) no transactions were rejected due to environmental and / or social concerns.															
6.	Please state any difficulties and/or constraints related to the implementation of the ESMS.		<p>One of the pre requisites for getting funding (multilateral/bilateral financial institutions like World Bank, Asian Development Bank, and European Investment Bank) under line of credit is the evaluation of the subprojects on environmental and social issues. The ESSF of IIFCL provides an enabling mechanism to IIFCL to meet environmental and social safeguard requirements associated with sub-projects.</p> <p>As per the mandate, IIFCL finances upto 20% of project cost or 80% of the lead bank share whichever is lower, thus, IIFCL is a minor partner in the consortium. IIFCL follows the ESSF, whereas the other lending partners do not have such safeguard framework.</p> <p>The environmental and social safeguard requirement of any infrastructure project requires screening of vast quantum of data / information / statutory approvals / permits / periodic compliance monitoring reports etc. as per National safeguards requirements. Extracting this information from the developer is a time consuming process and is a challenging task.</p> <p>In case of social safeguards, IIFCL relies on the information provided by the Concessionaire.</p>															
7.	Please describe how you ensure that your clients and their investments are operated in compliance with the national laws and regulations and applicable DFI's safeguard requirements.		<p>In the Common Loan Agreement for each project funded by IIFCL, certain covenants are always put up reflecting concessionaire's liability to comply with applicable laws of land as required for project implementation.</p> <p>The safeguard compliance status of the project is examined during the due diligence study of the project. After the approval of the project by the DFIs, ESMU conducts annual audit of the projects to review whether the projects are operated in compliance with the applicable laws and regulations.</p> <p>To ensure compliance with DFIs safeguards requirements</p>															

			reports on implementation of EMP, reports on monitoring of environmental parameters, status of labour and safety management at project site, Periodic LIE reports and six monthly compliance reports submitted to MoEF are generally shared by developer with IIFCL. The borrowers also engage safety officers/engineers to look after the safety, health and environment related aspects.
8.	Please give details of any material social and environmental issues associated with clients during the reporting period in particular.		<p>The environmental and social safeguard requirement of any infrastructure project requires screening of vast quantum of data / information / statutory approvals / permits / periodic compliance monitoring reports etc. as per National safeguards requirements. Extracting this information from the developer is a time consuming process and is a challenging task.</p> <p>In case of social safeguards, IIFCL relies on the information provided by the Concessionaire.</p>
9.	In case the existing ESMS is not fully functional, what are the action plan beining implemented by your organization?		<p>Presently, existing ESMU is functional. Head ESMU was recruited in October 2014 and one full time Environmental Specialist was recruited in November 2014. The position of Social Safeguard Specialist was advertised but not filled due lack of suitable candidate. This will be filled up shortly.</p> <p>(Please provide information or cite recommendation made by DFI's review mission to improve the ESMS and its implementation.)</p>
	Capacity	Yes/No	
10.	Please provide the name and contact information of the senior staff who has the overall responsibility for the implementation of ESMS.	Yes	<p>Mr Sanjeev Ghai, Chief General Manager has the overall resposibilty for the implementation of ESSF. His contact information are provided below:</p> <p>Telephone : +91 11 23450263, 23450261(Direct); Email : sanjeevghai@iifcl.org</p> <p>(Please describe the training or learning activities the Environmental/Social Officer or Coordinator attended during the year.)</p>
11.	Please provide current staffing of other core ESMS persons in the organization involved with ESMS implementation.	Yes	<p>Please refer Section A, point no. 4 for details of ESMU persons of IIFCL.</p> <p>Please find attached details of Training programmes attended by ESMS Staff during reporting period of January 2014 to December 2014 as Annexure-I.</p> <p>(Please describe the training provided to the ESMS persons and other team members during the year.)</p>
12.	What was the budget allocated to the ESMS and its implementation during the year?	Yes	<p>ESMU is the core team of IIFCL and requisite budgetary provision is a part of IIFCL's overall budget.</p> <p>(Please provide budget details including staff costs and training as well as any actual costs.)</p>
	Monitoring		
13.	Do you receive environmental and social monitoring reports from Lead Banks/Borrowers?	Yes	<p>The project is monitored through Lenders Engineer's reporting. The Lender's Independent Engineer is appointed by the Lead Bank of the Lender's Consortium to monitor the physical, financial progress and the compliance of various regulatory requirements. LIE reports are provided by the Lead Bank to the IIFCL. The LIE reports generally cover</p>

			<p>areas related to statutory approval status, forest diversion, tree cutting status, safety management, land diversion status and pending litigation etc.</p> <p>From Borrowers, IIFCL receives reports on implementation of EMP, reports on monitoring of environmental parameters, status of safety management at project site and six monthly compliance reports submitted to MoEF, Statutory Permitting status, Institutional arrangement, Accident/Incident data etc..</p> <p>(If yes, please describe and provide supporting documents including any social and environmental considerations if applicable.)</p>
14.	Do you check for ongoing compliance of your clients with national regulation and any other requirements?	Yes	<p>During the environmental and social due diligence study and subsequent audit, the compliance of the project with the applicable regulation is checked with available documentation. The site visit is carried out by ESMU for field verification.</p> <p>(If yes, please describe the process including any social and environmental considerations if applicable.)</p>
15.	Please describe how you monitor the clients and their investments social and environmental performance.		<p>The social and environmental performances are checked during the preparation of Environmental and Social Due Diligence Report and annual audit. Each approved project is evaluated for its environmental safeguard compliance performance against the applicable safeguard requirements at the time of audit by reviewing (i) Periodic LIE Reports (ii) Safety Reports (iii) Environmental Monitoring Reports (iv) Statutory Permitting Status (v) Through Site Visits..</p> <p>Out of the 8 sub-projects approved under AIIFI, site visit was conducted for 4 sub-projects in the year 2014 for the purpose of ESDDR preparation. For other Three sub-projects, whose ESDDR was approved during year 2013, these sub-projects were visited in early 2015 for audit purposes.</p> <p>The 8th sub-project, i.e. MEP Infrastructure Project was visited by safeguards staff during May 2013 as part of ESDDR preparation and has been approved under Takeout Finance Scheme by ADB. The project scope of work involves Securitization of Five Mumbai Entry Points along with maintenance of Flyovers and allied structures in and around Mumbai Region. The Project Facility is being operated and maintained by Concessionaire or through sub-Contractors if required, and major work involves Toll collection, Minor road repairing work, routine/periodic maintenance activities including plantation/beautification work & safety management. Considering this scope of work, site visit was not considered necessary for audit purposes.</p> <p>(Please describe and provide supporting documents such as environmental and social monitoring reports and please provide information on the number of subprojects where a field visit was conducted by staff to review aspects including social and environmental issues.)</p>
16.	<p>Please provide details of any accidents/litigation/complaints /regulatory notices and fines:</p> <ul style="list-style-type: none"> - Any incidents of non-compliance with the applicable Environmental and Social 		<p>The project specific details are provided in Section 'C'.</p>

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

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

C. Subprojects Using DFI Funds

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

1.	Name of Subproject:	Securitization of five Mumbai Entry Points along with maintenance of flyovers and allied structures Sub-project Developer: MEP Infrastructure Private Limited
2.	Location:	Mumbai city in the state of Maharashtra
3.	Sector:	Roads and Highways (The Project scope included Operation, maintenance of 27 flyovers, capacity augmentation of Mulund (EEH), Mulund




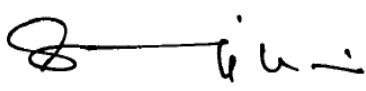
		(LBS) & Vashi Toll plazas, O & M of five Toll Plazas Mumbai Entry Points including toll collection at prescribed rates for Contract / Concession period)
4.	Total loan from IIFCL/DFI (US\$ mn):	IIFCL has sanctioned an amount of 400.00 crores to MEP Infrastructure project and amount received from ADB is 185.73 crores (30.49 US\$ mn)
5.	Safeguard category: (Annex E-3)	Category B
6.	Were any environmental and social due diligence undertaken and by your organization?	<p>Yes, Environmental & Social Due-diligence for MEPIPL project was undertaken by Environmental and Social safeguard specialists of IIFCL (Dr. Ruchi Malik & Ms. Rumita Chowdhury) for which desk review of safeguards documents was carried out along with field verification done during site visit conducted on 31st May,2013.</p> <p>The project was visited by the Environmental and Social safeguard specialists of IIFCL along with ADB's Fact Finding Mission Team.</p> <p>Revised & Final ESDDR for MEP Infrastructure project was submitted to ADB in the month of January 2014.</p> <p>Review of safeguard related information was also done for the period January – December 2014 for annual audit purpose.</p>
7.	Any environmental assessment report (including environmental management plan), involuntary resettlement plan, or indigenous peoples plan, or audit reports reviewed by your organization?	<p>The Environmental safeguard due-diligence study was carried out for the project on the basis of site visit observations and understanding project scope based on information and documents provided by Concessionaire.</p> <p><u>Environmental Safeguards:</u></p> <p>The following documents were referred in order to prepare Environmental Safeguards Due-Diligence Report:</p> <ul style="list-style-type: none"> • Document for Environment Management and Health & Safety Measures implemented at site by Concessionaire (including Plantation details) • Emergency Preparedness and Response Plan(Part of O&M Maintenance Manual) • Accident Data Sheets(May 2013) for different Highway corridors of Mumbai city • Institutional Framework for Site Safety Team Maintenance Manual for Entire Concession Period of Airoli Bridge Corridor (Sample document) ; • Common Loan Agreement signed between Concessionaire and Lenders; • Concession Agreement signed between Concessionaire and MSRDC • Project Information Memorandum (PIM); <p>As informed by Concessionaire during site visit, all the applicable statutory clearances from competent authorities were obtained by MSRDC during pre-construction/construction stage of project. Concessionaire's responsibility is only to operate and maintain the constructed facility during concession period of 16 years.</p>

		<p><u>Social Safeguards:</u> The Social safeguard due diligence study for the project was undertaken based on the review of Project Information Memorandum, discussion with the concessionaire and site visit observation.</p> <p>(If yes, please provide the names of documents reviewed.)</p>
8.	What were the main environmental, involuntary resettlement and indigenous peoples issues associated with this subproject that were identified through due diligence conducted by your organization, and how were the issues dealt with (i.e., outcome of due diligence)?	<p><u>Environmental Safeguards:</u></p> <p>During ESDDR preparation, no environmental issues were identified for addressal in MEP Infrastructure project.</p> <p>The following documents, as received from M/s. MEPIPL, has been reviewed for annual audit purpose:</p> <ul style="list-style-type: none"> • Sample Copies of SPCB's consents as obtained by maintenance contractors(for Bituminous Concrete work/ stone metal crushing/ Ready Mix Concrete work) • Document detailing Environment Management and Health, Safety measures implemented during operation phase (like Plantation, Labour & Road Safety details with site photographs) • Daily feedback/complaints reports along with actions taken for the months of Nov. 14/ Dec.14/ Jan.15 • Monthly Progress Reports for the Month of Jan. 14 to Dec.14 providing details of routine road maintenance activities • Project Organogram for details of Safety Team <p>During review of safeguards documents for reporting period, no environmental issues were identified for addressal in MEP Infrastructure project.</p> <p><u>Social Safeguards:</u> The project has been financed by IIFCL under Takeout Finance Scheme under which only those projects are financed which are in operation for more than one year.</p> <p>The project was already in operation stage during the due diligence study. It was noted during the due diligence study that the project scope only involves collection of Toll at five Mumbai Entry Points at prescribed rates along with operation and maintenance of 27 flyovers and allied structures.</p> <p>The project did not involve any land acquisition and resettlement issues. Thus, no social safeguard issues were involved in the project.</p>
9.	Did you discuss with the Lead Bank the applicable environmental and social safeguard requirements and their implementation?	No

10.	For category A subproject, were safeguards related documents such as EIA, RP and IPP, or audit reports made publicly available, in addition to posting on ADB's website?	MEP Infrastructure Road sub-project doesn't fall under category A as per ADB's safeguards requirements. (If yes, please provide website link and the date the documents were uploaded.)
11.	Were any conditions or covenants related to environmental and social issues made along with the investment?	The compliance to the applicable laws of land is included as a covenant in the loan agreement signed by the Lead Bank and other lending consortium members with the Concessionaire. (If yes, please briefly describe.)
12.	Does the investment comply with applicable government requirements?	Yes
13.	Does the investment comply with applicable DFI safeguard requirements?	Yes

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

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

Name of Organization	India Infrastructure Finance Company Limited (IIFCL), New Delhi	
Name of Sub-project	Design, Engineering, Finance, Construction, Operation and Maintenance of Four Laning of Panikoili - Rimuli Road Section of NH-215 from Km 0+000 – 163+000 in the State of Orissa under NHDP Phase-III as BOT (Toll) basis.	
Name of Sub-project Developer	Sai Maatarini Tollways Limited	
Reporting Period	January 2014 to December 2014	
Audit Activity	Name of Audit Team Member & Designation	Signature
Prepared by:	Mr. Krupasindhu Guru Assistant General Manager (Social Safeguards Specialist) ESMU, IIFCL Dr. Bhavesh K Singh Environmental Safeguards Specialist-Consultant ESMU, IIFCL	 
Reviewed by:	Dr. S.S. Garg, General Manager, ESMU, IIFCL	
Approved by Senior Staff with Overall responsibility for ESMS Implementation	Mr. Sanjeev Ghai, Chief General Manager, ESMU, IIFCL	

A. Environmental and Social Management System (ESMS)

	Policies & Processes	Yes/No	
1.	Has your organization developed and implemented an ESMS?	Yes	ESSF was adopted by IIFCL in October 2008 which was subsequently revised in November 2010 and July 2013 and Addendum to the ESSF for the World Bank financed projects was issued in the year 2014. The latest revised ESSF of July 2013 and addendum are available on IIFCL's website (http://

¹ Reporting requirements outlined here pertained to ADB. Other DFIs also have similar requirements.

			http://www.iifcl.org/Content/ESMU.aspx (If yes, please attach a copy of the ESMS to this report. Please indicate the date that the ESMS was established.)																									
2.	If there is an ESMS already in place, have there been any updates to the ESMS or policy and procedures adopted by your organization during the reporting period?	Yes	During reporting period (January, 2014 to December, 2014) an Addendum was issued to the ESSF in the year 2014. The weblink of the detailed document is provided above. The purpose of the Addendum was to summarise the process of proposed due diligence process at IIFCL for determining the eligibility of sub-projects for the World Bank financing under World Bank's line of credit. (If yes, please provide a copy of the updates including dates and reasons for the same.)																									
3.	Has senior management signed off on the updated policy/procedure?	Yes	The ESSF 2013 has been approved by IIFCL Board on 22 nd September 2013. (If yes, please provide the date and internal communication indicating the same.)																									
4.	Has your organization appointed staff tasked to implement the ESMS?	Yes	<p>Environmental and Social Safeguards Management Unit (ESMU) has been set up at IIFCL in 2010 to fulfil the environmental & social safeguard commitments based on ESSF guidelines.</p> <p>The ESMU currently is headed/ coordinated by a qualified full-time staff of IIFCL with two full-time environmental safeguards specialists and one full-time social safeguards specialist. In addition to this the department is also supported by one environmental safeguards specialist (Consultant) and one social safeguards specialist (Consultant). The details of the ESMU team as on 31st December 2014 are given below:</p> <table><tr><th>Sl. No</th><th>Name of Employee</th><th>Designation</th><th>Qualification</th><th>Experience in relevant field</th></tr><tr><td>1.</td><td>Dr. S. S. Garg</td><td>General Manager (GM)</td><td>Doctorate in Environmental Sciences, Diploma in Industrial Safety, Lead Auditor for ISO 14001 and OHSAS18001</td><td>20 yrs</td></tr><tr><td>2.</td><td>Dr. Ruchi Malik</td><td>Assistant General Manager (AGM)- Environment Specialist</td><td>Doctorate in Environmental Sciences</td><td>13 yrs</td></tr><tr><td>3.</td><td>Dr. Rashmi Kadian</td><td>Assistant General Manager (AGM)- Environment Specialist</td><td>Doctorate in Environmental Sciences</td><td>12 yrs</td></tr><tr><td>4.</td><td>Mr. Krupasindhu Guru</td><td>Assistant General Manager (AGM)- Social Specialist</td><td>Masters in Economics, Masters in Journalism, and LLB</td><td>13 yrs</td></tr></table>	Sl. No	Name of Employee	Designation	Qualification	Experience in relevant field	1.	Dr. S. S. Garg	General Manager (GM)	Doctorate in Environmental Sciences, Diploma in Industrial Safety, Lead Auditor for ISO 14001 and OHSAS18001	20 yrs	2.	Dr. Ruchi Malik	Assistant General Manager (AGM)- Environment Specialist	Doctorate in Environmental Sciences	13 yrs	3.	Dr. Rashmi Kadian	Assistant General Manager (AGM)- Environment Specialist	Doctorate in Environmental Sciences	12 yrs	4.	Mr. Krupasindhu Guru	Assistant General Manager (AGM)- Social Specialist	Masters in Economics, Masters in Journalism, and LLB	13 yrs
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6.	Rumita Chowdhury	Social Safeguards Specialist-Consultant	Masters in Sociology	11 yrs									
5.	Please give details of any transactions rejected due to environmental and/or social concerns.	No	During the reporting period (January – December 2014) no transactions were rejected due to environmental and / or social concerns.										
6.	Please state any difficulties and/or constraints related to the implementation of the ESMS.		<p>One of the pre requisites for getting funding (multilateral/bilateral financial institutions like World Bank, Asian Development Bank and European Investment Bank) under line of credit is the evaluation of the subprojects on environmental and social issues. The ESSF of IIFCL provides an enabling mechanism to IIFCL to meet environmental and social safeguard requirements associated with sub-projects..</p> <p>As per the mandate, IIFCL finances upto 20% of project cost or 80% of the lead bank share whichever is lower, thus, IIFCL is a minor partner in the consortium. IIFCL follows the ESSF, whereas the other lending partners do not have such safeguard framework.</p> <p>The environmental and social safeguard requirement of any infrastructure project requires screening of vast quantum of data / information / statutory approvals / permits / periodic compliance monitoring reports etc. as per National safeguards requirements. Extracting this information from the developer is a time consuming process and is a challenging task.</p> <p>In case of social safeguards, IIFCL relies on the information provided by the Concessionaire.</p>										
7.	Please describe how you ensure that your clients and their investments are operated in compliance with the national laws and regulations and applicable DFI's safeguard requirements.		<p>In the Common Loan Agreement for each project funded by IIFCL, certain covenants are always put up reflecting concessionaire's liability to comply with applicable laws of land as required for project implementation.</p> <p>The safeguard compliance status of the project is examined during the due diligence study of the project. After the approval of the project by the DFIs, ESMU conducts annual audit of the projects to review whether the projects are operated in compliance with the applicable laws and regulations.</p> <p>To ensure compliance with DFIs safeguards requirements reports on implementation of EMP, reports on monitoring of environmental parameters, status of safety management, periodic LIE reports and six monthly compliance reports are generally shared by developer with IIFCL. The borrowers also engage safety officers/engineers to look after the safety, health and environment related aspects.</p>										
8.	Please give details of any material social and environmental issues		The environmental and social safeguard requirement of any infrastructure project requires screening of vast quantum of data / information / statutory approvals / permits / periodic compliance										

	associated with clients during the reporting period in particular.		monitoring reports etc. as per National safeguards requirements. Extracting this information from the developer is a time consuming process and is a challenging task. In case of social safeguards, IIFCL relies on the information provided by the Concessionaire.
9.	In case the existing ESMS is not fully functional, what are the action plan beining implemented by your organization?		Presently, existing ESMU is functional. Head ESMU was recruited in October 2014 and one full time Environmental Specialist was recruited in November 2014. The position of Social Safeguard Specialist was advertised but not filled due lack of suitable candidate. This will be filled up shortly. (Please provide information or cite recommendation made by DFI's review mission to improve the ESMS and its implementation.)
Capacity		Yes/ No	
10.	Please provide the name and contact information of the senior staff who has the overall responsibility for the implementation of ESMS.	Yes	Mr Sanjeev Ghai, Chief General Manager has the overall resposibilty for the implementation of ESSF. His contact information are provided below: Telephone : +91 11 23450263, 23450261 (Direct); Email : sanjeevghai@iifcl.org (Please describe the training or learning activities the Environmental/Social Officer or Coordinator attended during the year.)
11.	Please provide current staffing of other core ESMS persons in the organization involved with ESMS implementation.	Yes	Please refer Section A, point no. 4 for details of ESMU persons of IIFCL. Please find attached details of Training programmes attended by ESMS Staff during reporting period of January 2014 to December 2014 as Annexure-I . (Please describe the training provided to the ESMS persons and other team members during the year.)
12.	What was the budget allocated to the ESMS and its implementation during the year?	Yes	ESMU is the core team of IIFCL and requisite budgetory provision is a part of IIFCL's overall budget (Please provide budget details including staff costs and training as well as any actual costs.)
Monitoring			
13.	Do you receive environmental and social monitoring reports from Lead Banks/Borrowers?	Yes	The project is monitored through Lenders Engineer's reporting. The Lender's Independent Engineer is appointed by the Lead Bank of the Lender's Consortium to monitor the physical, financial progress and the compliance of various regulatory requirements. LIE reports are provided by the Lead Bank to the IIFCL. The LIE reports cover areas related to statutory approval status, forest diversion, tree cutting status, safety management, land diversion status and pending litigation etc. From Borrowers, IIFCL receives reports on implementation of EMP, reports on monitoring of environmental parameters, status of safety management, accident incident data, six monthly compliance reports etc. (If yes, please describe and provide supporting documents including any social and environmental considerations if applicable.)
14.	Do you check for ongoing	Yes	During the environmental and social due diligence study and

	compliance of your clients with national regulation and any other requirements?		<p>subsequent audit, the compliance of the project with the applicable regulation is checked with available documentation. The site visit is carried out by ESMU for field verification.</p> <p>(If yes, please describe the process including any social and environmental considerations if applicable.)</p>
15.	Please describe how you monitor the clients and their investments' social and environmental performance.		<p>The social and environmental performances are checked during the preparation of Environmental and Social Due Diligence Report and annual audit. Each approved project is evaluated for its environmental safeguard compliance performance against the applicable safeguard requirements at the time of audit. The compliance status is also assessed through the LIE report which covers the statutory approval status, forest diversion, tree cutting status, safety management, land diversion status and pending litigation etc; reports on implementation of EMP, reports on monitoring of environmental parameters, status of safety management, six monthly compliance reports and through site visits.</p> <p>Out of the 8 sub-projects approved under AIIFI, site visit was conducted for 4 sub-projects in the year 2014 for the purpose of ESDDR preparation. For other three sub-projects, whose site visit was done for ESDDR purpose during the year 2013, these sub-projects were visited in early 2015 for audit purpose.</p> <p>The 8th sub-project, i.e. MEP Infrastructure Project was visited by safeguards staff during May 2013 as part of ESDDR preparation and has been approved under Takeout Finance Scheme by ADB. The project scope of work involves Securitization of Five Mumbai Entry Points along with maintenance of Flyovers and allied structures in and around Mumbai Region. The Project Facility is being operated and maintained by Concessionaire or through sub- Contractors if required, and major work involves Toll collection, Minor road repairing work, routine/periodic maintenance activities including plantation/beautification work & safety management. Considering this scope of work, site visit was not considered necessary for audit purposes.</p> <p>(Please describe and provide supporting documents such as environmental and social monitoring reports and please provide information on the number of subprojects where a field visit was conducted by staff to review aspects including social and environmental issues.)</p>
16.	<p>Please provide details of any accidents/litigation/complaints /regulatory notices and fines:</p> <ul style="list-style-type: none"> - Any incidents of non-compliance with the applicable Environmental and Social Requirements - Covenants/conditionalities imposed by IIFCL to the client as a result of any non-compliance 		The project specific details are provided in Section 'C'.
Reporting			
17	Is there an internal process to report on social and environmental issues to Senior management?	Yes	<p>The ESDDR (one time document) and Audit sheets are approved by the Senior Management.</p> <p>The ESDDR is a detailed report on environmental and social safeguards and annual audit sheet is reported in the present format.</p>

			(If yes, please explain the process, reporting format and frequency and actions taken if any.)
18.	Do you prepare any social and environmental reports: - For other multilateral agencies Other stakeholders - E&S reporting in the Annual Report - Sustainability reports	Yes	ESMU prepares Environment and Social Due Diligence report for the projects which are posed to other DFIs to draw down, under their line of credit. IIFCL's annual report also reports on the ESSF since the year 2008-09 and ESMU since its inception in the year 2009-10. The Annual Reports are uploaded on IIFCL website and weblink for the same is http://www.iifcl.org/Content/report.aspx?mid=17&bid=2&cid=1 (If yes, please provide copies of these reports.)

B. Activities on DFI's Prohibited Investment Activities List

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

C. Subprojects Using DFI Funds

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

1.	Name of Subproject:	Subproject Developer: Sai Maatarini Tollways Ltd. Sub-project: Design, Engineering, Finance, Construction, Operation and Maintenance of Four Laning of Panikoili - Rimuli Road Section of NH-215 from Km 0+000 – 163+000 in the State of Orissa under NHDP Phase-III as BOT (Toll) basis.
2.	Location:	The Project road (NH 215) starts at Panikoili and ends at Rimuli. The stretch is located in the State of Orissa and falls under the jurisdiction of two districts namely Keonjhar and Jajpur.
3.	Sector:	Highways and Roads
4.	Total loan from IIFCL/DFI (US\$ mn):	\$ 26,967,882.48
5.	Safeguard category: (Annex E-3)	Category- B
6.	Were any environmental and social due diligence undertaken by your organization?	Yes, Environmental and Social Due Diligence (ESDD) study was carried out by the ESMU team of IIFCL based on the review of information/Documents/NOCs/Consents/ Permissions and field verification during site visit (27 th -28 th October, 2014). The sub-project has been approved by ADB in November, 2014. Review of safeguard related information was also done for the period January – December 2014 for annual audit purpose

		(If yes, provide information on due diligence activities, such as desk review of safeguard documents, and field visit, and by whom.)
7.	Any environmental assessment report (including environmental management plan), involuntary resettlement plan, or indigenous peoples plan, or audit reports reviewed by your organization?	<p>The Environmental and Social Safeguard Due-Diligence study was carried out for the sub-project on the basis of site visit observations and understanding project scope based on information and documents provided by the Concessionaire:</p> <p>Environment Safeguards: The following documents were referred/reviewed in order to prepare Environmental Safeguards Due-Diligence Report:</p> <ul style="list-style-type: none"> (i) EIA/EMP as prepared by Consulting Engineers Group Ltd.; (ii) Project's statutory clearances/consents/ approvals and permits; (iii) Environmental Parameters Monitoring reports; (iv) Project Safety Plan; (v) Monthly Progress Report; (vi) Concession Agreement; (vii) EPC Contract Documents; <p>Social Safeguards: To ensure the safeguard compliance, following documents were reviewed by ESMU:</p> <ul style="list-style-type: none"> • Detail Project Report; • Project information memorandum; • Lender's Independent Engineer's report, March 2015; • Gazette Notifications for land acquisition; • Right of Way Hand Over Letter from NHAI. <p>(If yes, please provide the names of documents reviewed.)</p>
8.	What were the main environmental, involuntary resettlement and indigenous peoples issues associated with this subproject that were identified through due diligence conducted by your organization, and how were the issues dealt with (i.e., outcome of due diligence)?	<p>Environment Safeguards:</p> <p>During ESDDR preparation no environmental issues were identified for addressal for the project.</p> <p>The following documents were reviewed for the purpose of annual audit:</p> <ul style="list-style-type: none"> (i) EIA/EMP as prepared by Consulting Engineers Group Ltd.; (ii) Project's statutory clearances/consents/ approvals and permits; (iii) Environmental Parameters Monitoring reports(September, 2014); (iv) Project Safety Plan; (v) Lender Engineer Reports;. (vi) Concession Agreement; (vii) EPC Contract Documents; <p>Following are the observations / outcome of the review of documents / information for annual audit:</p>

		<ul style="list-style-type: none"> • Environmental monitoring for air, soil water and noise was carried out in September 2014. Although, the frequency and number of samples collection and analysis were inadequate for which project developer was informed to improve upon., • The monitoring results show the monitored parameters have not exceeded the prescribed standards; • Further, Project developer has informed to improve the frequency of the Environmental Quality Monitoring and number of samples collections which will be verified during audit visit in year 2016. • Based on the documents review and site visit in October, 2014, it is concluded that HSE implementation status is adequate; • Adequate number of under passes are being provided for sooth movement of animals as well as reptiles; • All applicable consents/NOCs/clearances were obtained and valid during the audit period; • Good housekeeping and proper control measures are adopted in keeping the camp office clean <p>The project developer has been asked to take action on the following issues:</p> <ul style="list-style-type: none"> • Project developer has been advised to improve the frequency of the Environmental Quality Monitoring and number of samples collections which will be checked during next site visit and periodic audit; <p>Social Safeguards: During the due diligence study, it was noted that.</p> <ul style="list-style-type: none"> • The sub-project has been prepared by NHAI as per its own funding requirement and not in anticipation to ADB's operations; • To avoid major resettlement and rehabilitation five numbers of bypasses have been proposed at major settlement areas; • Concessionaire has undertaken various community development activities to benefit the local people; • Local labours are being engaged in the construction activities for unskilled and semi-skilled activities; • It was observed during the site visit that the rehabilitation of borrow area by converting it as pond, cultivable land, and levelling the hilly area by converting it as plane area for plantation purpose; • With the request of the local people the subproject developer has engaged themselves for Enhancement/ construction of village road/approach road for the villagers;
9.	Did you discuss with the Lead Bank the applicable environmental and social safeguard requirements and their implementation?	No, as IIFCL is a late entrant in project development
10.	For category A subproject, were safeguards related documents such as EIA, RP and IPP, or audit reports made publicly available, in addition to posting on ADB's website?	<p>Sai Maatarini Tollways Ltd. does not fall under category A as per ADB's safeguard requirements</p> <p>(If yes, please provide website link and the date the documents were uploaded.)</p>

11.	Were any conditions or covenants related to environmental and social issues made along with the investment?	The compliance to the applicable laws of land is included as a covenant in the loan agreement signed by the Lead Bank and other consortium members with the Concessionaire.
12.	Does the investment comply with applicable government requirements?	Yes
13.	Does the investment comply with applicable DFI safeguard requirements?	Yes