



The Independent Accountability Mechanism for IFC & MIGA

**CAO Compliance Appraisal Report - Daehan Wind Power
Company in Jordan
IFC Project 35349**

Decision to Investigate Deferred

June 8, 2022

About CAO

The Office of the Compliance Advisor Ombudsman (CAO) is the independent accountability mechanism of the International Finance Corporation (IFC) and Multilateral Investment Guarantee Agency (MIGA), members of the World Bank Group. We work to facilitate the resolution of complaints from people affected by IFC and MIGA projects in a fair, objective, and constructive manner, enhance environmental and social project outcomes, and foster public accountability and learning at IFC and MIGA.

CAO is an independent post that reports directly to the IFC and MIGA Boards of Executive Directors. For more information, see www.cao-ombudsman.org.

About the Compliance Function

CAO's compliance function reviews IFC and MIGA compliance with environmental and social policies, assesses related harm, and recommends remedial actions where appropriate.

CAO's compliance function follows a three-step approach:

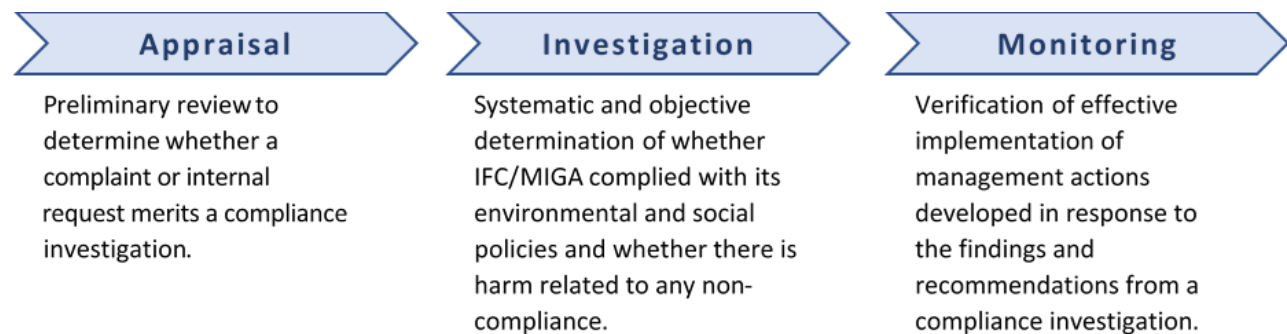


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Acronyms

Acronym	Definition
CAO	Office of the Compliance Advisor Ombudsman (IFC and MIGA)
CEA	Cumulative Effects Assessment
E&S	Environmental and Social
EHS	Environmental, Health and Safety
ESIA	Environmental and Social Impact Assessment
ESAP	Environmental and Social Action Plan
ESDD	Environmental and Social Due Diligence
ESMS	Environmental and Social Management System
ESRS	Environmental and Social Review Summary
ESRP	Environmental and Social Review Procedures
IFC	International Finance Corporation
MIGA	Multilateral Investment Guarantee Agency
GRM	Grievance Redress Mechanism
PS	Performance Standards (IFC)
SEP	Stakeholder Engagement Plan
SII	Summary of Investment Information
ToR	Terms of Reference

Executive Summary

This compliance appraisal documents CAO's preliminary review of a complaint from three brothers who own a plot of land in the vicinity of the Daehan Wind Power project located in Jordan's Tafila Governorate. IFC invested in the project in 2018 to support its development, construction, and operation. CAO's compliance appraisal concludes that some issues raised in the complaint merit an investigation, particularly the allegations related to information disclosure, stakeholder engagement, and assessment of impacts of the project's wind turbines on the Complainants' plot of land. However, in response to a request from IFC, and following consultation with the Complainants, CAO has decided to defer its decision to investigate. The deferral will allow IFC and its Client the opportunity to implement a six-month action plan, designed to respond to the Complainants' claim in a manner consistent with IFC's Environmental and Social (E&S) requirements.

Context and Investment

IFC has invested in many renewable energy projects in Jordan, including Jordan's first independent power producer wind farm in Tafila in 2013, and multiple solar power projects.

In September 2018, IFC invested in the Daehan Wind Power Company ("the Client" or "the Company"), which is owned by two Korean power generation companies. IFC's investment was designed to support the development, construction, operation, and maintenance of a 51.75MW wind farm in Jordan's Tafila Governorate. The Company is expected to supply electricity to the Jordanian National Electric Power Company under a 20-year Power Purchase Agreement. Project construction began in November 2018 and commercial operations started in July 2021. IFC's investment in Daehan is a Category A project under IFC's Sustainability Policy due to significant biodiversity-related risks given the project's proximity to a protected area and the potential for cumulative, adverse impacts on birds. With the exception of these impacts, however, IFC's pre-investment review expected the project's social and other risks to be low.

The Complaint

On June 16, 2020, CAO received a complaint from three brothers who own a plot of land located approximately 500 meters away from one of the project's wind turbines. The Complainants live in Tafila city, about 16 km from the project area, but visit their plot to care for crops and the land itself with different levels of frequency over the years. The complaint raises allegations regarding the project's lack of disclosure of environmental and social information, the absence of stakeholder engagement, and the impacts from the project's construction and operation. The Complainants allege that the Company did not make available any information regarding the project, its E&S impacts, or any mitigation measures, and that it did not engage them in stakeholder consultations. They raise various concerns, among them safety issues because of the potential risk of wind turbine blades falling on their nearby land. They also maintain that the noise and shadow flicker effects from the wind turbines were above permissible levels on their land. The Complainants argue they are not being properly compensated for these risks and impacts on their land, either through the leasing of their land by the Company or through other benefit-sharing schemes.

IFC and Client Responses

On March 14, 2021, IFC Management and the Client submitted their responses to the complaint. Both indicated the project's identification, assessment, and management of environmental and

social impacts were aligned with IFC policy requirements and maintained they had complied with the policy obligations related to the disclosure of project information, consultations, and stakeholder engagement. IFC and the Client have also stated that there are no permanent physical structures on the Complainants' land, maintaining that it has remained vacant since the start of the project, and it is not used for economic activities. Because of this, they assert it could not be considered a receptor sensitive to the effects of wind turbines and that therefore no mitigation measures need to be implemented.

Nevertheless, IFC has requested CAO defer its decision to start an investigation into this case. In this context, IFC has undertaken to work with the Client to enhance its monitoring and documentation of land use near the project. The objective of the enhanced monitoring is both to identify the possibility of new sensitive receptors impacted by the project and to implement adequate mitigation measures where noise and shadow flicker impacts from the wind turbines exceeds mandated and required thresholds.

CAO Analysis

According to the CAO Policy, the purpose of a CAO compliance appraisal is to determine whether a complaint merits an investigation by applying the following criteria: a) whether there are preliminary indications of harm or potential harm; b) whether there are preliminary indications that IFC may not have complied with its E&S Policies; and c) whether the alleged harm is plausibly linked to the potential non-compliance.

Based on an initial review of available information, CAO's appraisal concludes that the complaint meets the three criteria for a compliance investigation (though, as noted above, CAO has decided to defer the decision to investigate in this case):

- a) **There are preliminary indications of harm to the Complainants**, specifically in relation to the Complainants' allegations of:
 - Lack of information, consultation, and engagement regarding the project's risks and impacts and environmental and social prevention and mitigation measures, despite being relevant stakeholders as landowners within the project's area of influence and in proximity to the project's footprint and structures, which potentially deprived them of the opportunity to raise their views and concerns regarding the project, the way it affects them, and associated mitigation measures.
 - Lack of assessment of their land use and consideration of potential impacts, such as noise and shadow flicker, which exceed mandated thresholds on their land use.

- b) **There are preliminary indications that IFC may not have complied with its environmental and social policies**, specifically its responsibility to review and supervise the application of the following Performance Standard 1 (PS1) requirements. A review of information provided to CAO could not confirm that the following took place in a manner that conforms with PS1 requirements:
 - Engagement, consultation, and disclosure of relevant project information to landowners whose properties were adjacent to the project footprint but were not going to be leased by the project;
 - Assessment of project impacts on land use in the project's area of influence, fully considering seasonal land use, and the definition of appropriate mitigation measures, particularly in relation to noise and shadow flicker from the wind turbines, as required by the World Bank Group's Environmental Health and Safety (EHS) Guidelines.

In addition, there are preliminary indications that IFC may not have complied with its obligations under its Access to Information Policy regarding the disclosure of updated environmental and social information for Category A projects, such as the updated Environmental and Social Impact Assessment (ESIA) for the project.

- c) The alleged harms to the Complainants are plausibly linked to IFC’s potential non-compliance**, as the issues raised by the Complainants relate directly to potential shortcomings in IFC’s review and supervision of the application of PS1, as follows:
- The Complainants’ concerns regarding lack of information about the project and their lack of involvement in consultations during which they could have raised their views and concerns, are plausibly linked to potential non-compliance in IFC’s review and supervision of PS1 requirements concerning stakeholder engagement, consultation, and the disclosure of information.
 - The Complainants’ allegations, of unmitigated noise and shadow flicker exceedances on their land plot, are plausibly linked to potential non-compliance in IFC’s review and supervision of PS1 requirements regarding risk and impact assessment, which should be based on accurate E&S baseline data, appropriate methods, and in line with good international industry practice.

Deferral of investigation

While the above issues meet the requirements for a CAO compliance investigation, CAO has decided to defer the decision to investigate this case. This decision was made considering a request from IFC and following consultations with the Complainants. CAO has agreed to a deferral period of six months, based on IFC’s commitments to address the issues raised in the complaint as follows:

1. Develop and implement an enhanced and more systematic monitoring process of land use, to be carried out during seasons of the year when land use activities are underway (March to October), including engagement with landowners and land users.
2. Engage an E&S expert and carry out a specific assessment of the Complainants’ land use, including the possible impacts of the project, and, if appropriate, implement corresponding mitigation measures in accordance with IFC policy requirements.
3. Engage landowners of land not leased to the project but within the project’s area of influence and include them in the Stakeholder Engagement Plan (SEP), in order to inform and consult them about the project’s impacts, its E&S plans, prevention and mitigation measures and resources, such as the Grievance Redress Mechanism (GRM), as well as enable their participation in community or other stakeholder meetings.
4. Update the project’s public E&S documentation on IFC’s disclosure page to include the final ESIA, latest SEP, and final Environmental and Social Action Plan (ESAP).

Next Steps

Upon the conclusion of the deferral period, CAO may (a) close the case, if the issues raised in the complaint have been substantially addressed; (b) extend the deferral period; or (c) proceed to a compliance investigation if the issues raised have not been substantially addressed. In line with CAO Policy, CAO can also end the deferral period early if conditions change materially or if CAO considers that progress is unlikely. In any case, CAO will issue a public report on the outcomes of the deferral.

1. Introduction

This section provides an overview of IFC investment in the Daehan Wind Power Company. It then describes the scope and methodology for CAO's compliance appraisal as covered in this report.

a) Overview of IFC Investment

The Daehan Wind Power Company ("the Client" or "the Company") is a special purpose vehicle incorporated in Jordan and owned by Korea Southern Power Company (KOSPO) and Daelim Energy Co ("the Sponsors"), both Korean power generation companies. In September 2018¹, IFC committed to an investment of US\$10.2 million from its own account in Daehan. Financing for the Company also included US\$25.5 million in syndicated loans mobilized by IFC and US\$35.7 million from other lenders.

The purpose of IFC's financing was to support Daehan's development, construction, operation, and maintenance of a 51.75MW wind farm in Jordan's Tafila Governorate. The Project included the installation of 15 turbines, each 3.45 MW, with a tower hub height of 112 meters and rotor diameter of 136 meters, a 33kV/132kV substation, a buried internal 33 kV grid network, and a network of site access roads. Project construction began in November 2018 and commercial operations started in July 2021. The project currently supplies electricity to the Jordanian National Electric Power Company under a 20-year Power Purchase Agreement.

IFC's investment in Daehan is considered a Category A project under the terms of IFC's Sustainability Policy. The IFC considered the social risks and impacts of the project to be low, as no residences were identified within or immediately adjacent to the site and its agricultural use was limited by the rocky, hilly terrain. However, IFC identified significant biodiversity-related risks associated with the project due to the proximity of a protected area and the potential for cumulative, adverse impacts on birds.

b) Compliance Appraisal Scope and Methodology

The scope of this CAO compliance appraisal is limited to issues raised in the complaint and CAO's assessment report.²

CAO made the appraisal decision based on the appraisal criteria and other relevant considerations contained in the CAO Policy. The appraisal involved a preliminary review of the following information:

- Documentation related to the complaint, including the complaint, CAO's Assessment Report, CAO's Dispute Resolution Conclusion Report, and the responses from IFC Management and the Client to the complaint;
- IFC and Client documentation related to the implementation of project E&S requirements; and
- Information gathered through interviews with the Complainants and the IFC project team.

¹ The project was approved by the Board on September 6, 2018, and the investment agreement was signed on September 18, 2018.

² CAO Policy, para. 88.

CAO extends its appreciation to all parties mentioned in this report who have shared their perspectives, knowledge, and time with CAO.

2. Concerns Raised by Complainants

On June 16, 2020, CAO received a complaint from three brothers who own a plot of land in the project's area of influence. The plot of land is located approximately 500 meters away from one of the wind turbines of the Daehan project.

CAO found the complaint eligible for further assessment in July 2020.³ When CAO carried out its assessment, the Complainants and the Daehan Wind Power Company expressed an interest in engaging in a CAO Dispute Resolution process to resolve the issues. However, since the parties did not reach an agreement during the process, the case was transferred to CAO's compliance function on February 15, 2022, with the Complainants' explicit consent.⁴

The Complainants live in Tafila city, about 16 km from the project area, but state they visit their plot, with different levels of frequency over the years, to care for crops they cultivate on it. They also used to periodically put up temporary tents to use as seasonal residences during the harvest (usually in July), up until 2018.

The complaint raises allegations regarding impacts from project construction and operations, a lack of disclosure of project environmental and social information and the absence of stakeholder engagement. With regard to E&S disclosure, and to stakeholder engagement, the complaint states the Complainants did not have access to the project's Environmental and Social Impact Assessment (ESIA). Further, the Complainants state they were not consulted regarding the potential negative impacts of the project on their land.

The Complainants raised the following specific concerns related to project impacts: a) the exceedance of permitted noise limits and shadow flicker effects from the wind turbines, b) health and safety issues associated with wind turbine blades falling, c) the impossibility of raising birds on the plot because of the risk of them being killed by the wind turbine blades, and d) the perception that their land should have been leased by the project, considering that other land had been leased by it in the area.

Further details of the complaint are provided in CAO's analysis below, and the full complaint is annexed to this appraisal report. See Appendix 1.

3. Summary of IFC Response

On March 14, 2021, CAO received an IFC Management Response to the complaint. In summary, IFC Management indicated as follows:

- a) Project E&S information was disclosed on IFC's and the Client's websites in advance of project construction. Moreover, upon IFC's request, the Company provided a summary of the

³ CAO, Daehan Wind Power Company/Jordan, Assessment Report. November 1, 2020, available at: <https://bit.ly/3wSvDSG>

⁴ CAO, Daehan Wind Power Company/Jordan, Dispute Resolution Conclusion Report, February 15, 2022, available at: <https://bit.ly/3wV6Vjl>

- ESIA in Arabic, which was available through the Company's Community Liaison Officer and through other publicly accessible sources in the surrounding municipalities.
- b) A comprehensive and inclusive stakeholder engagement process was used to inform the ESIA and the project design. Stakeholder engagement included high-level consultations with all identified stakeholder groups, and detailed engagement and consultations focusing on specific stakeholders. Also, throughout project development, IFC has monitored the implementation and improvement of the Stakeholder Engagement Plan (SEP) and Grievance Redress Mechanism (GRM).
 - c) The project's ESIA covered the full range of potential E&S risks and impacts associated with the construction and operation of a wind farm and included models to estimate levels of noise and shadow flicker effects on applicable sensitive receptors⁵ and adequate risk mitigation and management measures in line with IFC's PSs. The project's layout ensured that turbine noise levels at sensitive receptors were within the thresholds required and included installation of shadow flicker shut down modules on some of the turbines⁶, where needed. Since no permanent or seasonal structure or activity was identified on the Complainants' land plot, this area was not assessed to be a sensitive receptor for noise or shadow flicker, thus no mitigation measures were considered required.
 - d) Community health and safety risks and impacts, including blade or ice throw risks,⁷ were assessed as low. IFC maintains that the minimum distance between the Complainants' land plot and the nearest wind turbines and mast locations exceeds the minimum setback distances specified in the World Bank Group's (WBG)'s EHS Guidelines.
 - e) Based on the results of an IFC commissioned Cumulative Effects Assessment (CEA) report on biodiversity covering the project area, the Company has implemented adaptive bird collision risk management. IFC has found no evidence of any practice of raising or breeding birds there, following its consultation with experts.
 - f) The land selection process for leasing took place during the project design phase in 2016. IFC maintained this was transparent and based on project design and optimization criteria, and that it followed the mitigation hierarchy required in IFC's PSs.

Through its Management Response, IFC requested CAO to defer the decision to launch a compliance investigation into this case, given its commitment to work with the Client to implement an enhanced, more systematic monitoring and documentation of land use activities. IFC proposed and agreed with the Client to develop and implement an enhanced and more systematic monitoring process of land use, to be carried out during seasons of the year when land use activities are underway (March to October), including engagement with landowners and land users. The purpose of these actions, according to IFC, is to allow for early identification of possible new sensitive receptors impacted by project operations, and adequate mitigation in case of levels exceeding mandated thresholds.

⁵ According to the EHS General Guidelines, a sensitive receptor is: "A point of reception or receptor may be defined as any point on the premises occupied by persons where extraneous noise and/or vibration are received. Examples of receptor locations may include: permanent or seasonal residences; hotels / motels; schools and daycares; hospitals and nursing homes; places of worship; and parks and campgrounds".

⁶ As explained by IFC, shadow flicker shut down modules are fitted on the wind turbine generators and comprise sensors to register shadow flicker: if the registered shadow flicker exceeds a programmed threshold, it pauses the blades to avoid the shadow flicker on identified locations of sensitive receptors. IFC Management Response, pp. 6 and 16.

⁷ EHS Guidelines for Wind Energy indicate that "blade throw" when "a failure of the rotor blade can result in the 'throwing' of a rotor blade, or part thereof, which may affect public safety. According to the EHS Guidelines, while the overall risk of blade throw is extremely low, "ice throw" happens "if ice accretion occurs on blades, which can happen in certain weather conditions in cold climates, then pieces of ice can be thrown from the rotor during operation, or dropped from it if the turbine is idling". The main safety measures against these risks is the location of the wind turbines at an acceptable setback distance from adjacent sensitive receptors. EHS Guidelines for Wind Energy, paras. 58-59.

4. Summary of Client Response

IFC's Client also issued a response to the complaint. In summary, the Client asserts that:

- a) The ESIA consultation process was aligned with the PS, and the Client undertakes continuous stakeholder consultation and engagement activities under the SEP.
- b) Given that the Complainants' plot was, at the time of the ESIA, and still is to date, completely vacant with no permanent physical structures or economic activities, it does not classify as a sensitive receptor that could be impacted by noise or shadow flicker.
- c) The distance between the Complainants' land plot and the nearest wind turbines exceeds the minimum setback distances set out in the WBG's EHS Guidelines, therefore blade or ice throw do not pose a risk to the Complainants' health and safety.
- d) No bird raising activities have been ever noted or recorded in the area.
- e) A thorough, detailed, fair, and transparent process was undertaken to select land to be leased. This process took into consideration technical, financial, and environmental aspects.

Further details of the IFC's Management Response and the Client's response are provided in CAO's analysis below. The full (IFC Management and Client) responses are annexed to this appraisal report. See Appendixes 2 and 3.

5. CAO Appraisal Analysis

This section summarizes CAO's analysis of the complaint, which is based on research, document review, and interviews conducted in February–June 2022. It provides an overview of the relevant IFC policy requirements and standards. It then presents analyses of the three appraisal criteria required for CAO to determine whether to initiate a compliance investigation.⁸ These criteria are:

- a) Whether there are preliminary indications of harm or potential harm;
- b) Whether there are preliminary indications that IFC/MIGA may not have complied with its E&S Policies; and
- c) Whether the alleged harm is plausibly linked to the potential non-compliance.

The section concludes with CAO's decision on whether the issues raised merit a compliance investigation, based on the appraisal criteria and other considerations outlined in the CAO Policy.

Based on the analysis below, CAO finds that this complaint regarding IFC's investment in the Daehan Wind Power Company meets the criteria for a compliance investigation.

a) Relevant IFC Policy Framework and Performance Standards

IFC invested in the Daehan Wind Power Company under its 2012 Policy on Environmental and Social Sustainability (the Sustainability Policy) and Performance Standards (PS) and the World Bank Group's Environmental, Health and Safety Guidelines (EHS Guidelines), together referred to as the Sustainability Framework. The Sustainability Policy states that "efforts to carry out investment and advisory activities with the intent to 'do no harm' to people and the environment"

⁸ CAO Policy, para. 91.

are “central to IFC’s development mission.”⁹ IFC commits that: “Proposed investments that are determined to have moderate to high levels of environmental and/or social risk, or the potential for adverse environmental and/or social impacts, will be carried out in accordance with the requirements of the Performance Standards.”¹⁰

To achieve its mission and these goals, IFC is required to conduct pre-investment environmental and social due diligence of all its investment activities. This process must be “commensurate with the nature, scale, and stage of the business activity, and with the level of environmental and social risks and impacts.”¹¹ IFC requires compliance with its Performance Standards and provisions of the World Bank Group Environmental, Health and Safety Guidelines as a condition of financing.¹² Based on the outcomes of the E&S due diligence, it commits only to “finance investment activities that are expected to meet the requirements of the Performance Standards within a reasonable period of time.”¹³ During project implementation, IFC supervises the client’s E&S performance against the conditions of financing.¹⁴ If the client fails to comply with its E&S obligations, IFC will “work with the client to bring it back into compliance, or if the client fails to reestablish compliance, IFC will exercise its rights and remedies, as appropriate.”¹⁵

The following Performance Standards and EHS Guidelines are relevant to the complaint regarding IFC’s investment in the development and operation of the Daehan Wind Power Company:

- PS1 (Assessment and Management of Environmental and Social Risks and Impacts);
- Environmental, Health and Safety General Guidelines (General EHS Guidelines) (2007); and
- Environmental, Health and Safety Guidelines for Wind Energy (2015)

b) Analysis of Appraisal Criteria regarding the Complaint Allegations

The complaint raises issues regarding (1) disclosure of project E&S information and stakeholder engagement; (2) lack of compensation for impacts and risks associated with the wind turbines (risk of blade throw/ice, electrocution, and noise and shadow flicker effect), and (3) bird collision, and (4) construction dust.

1. Disclosure of Project E&S Information and Stakeholder Engagement

The complaint states that the Company did not make available to Complainants any information regarding the project, its E&S impacts, or the mitigation measures that would be implemented. Moreover, the Complainants claim they were not engaged in any stakeholder consultations for the project.

IFC and the Client state that the project ESIA was aligned with IFC’s PS and was based on a comprehensive and inclusive stakeholder engagement process. ESIA stakeholder consultations, which began in early 2016, included a high-level consultation targeting all identified stakeholder

⁹ Sustainability Policy, para. 9.

¹⁰ Sustainability Policy, para. 3.

¹¹ Sustainability Policy, para. 26.

¹² Sustainability Policy, para. 28.

¹³ Sustainability Policy, para. 22.

¹⁴ Sustainability Policy, para. 24.

¹⁵ Sustainability Policy, para. 24.

groups (“Scoping Session”), as well as on-site consultations which focused on specific stakeholder groups, including landowners. Consultations included a presentation of the project and its potential impacts, and allowed stakeholders to raise questions and concerns, which were considered in the definition of mitigation strategies. Additionally, throughout project development, IFC indicated it had monitored the implementation and improvement of the SEP and GRM. IFC’s review of the ESIA and site supervision visits during project development and the operational phase have led to the incorporation of Client actions to enhance stakeholder engagement, which IFC reports to have been implemented satisfactorily. The Client reiterates that it undertakes continuous stakeholder consultation and engagement activities under the SEP.

IFC states that it published relevant E&S information on its website prior to Board approval of the project and requested the Client to publish the same on their website in advance of project construction. Moreover, upon IFC’s request, IFC states that the Company ensured that a summary of the ESIA in Arabic was available through its Community Liaison Officer and other publicly accessible sources in the surrounding municipalities.

1.a) Preliminary Analysis of IFC Policy Compliance¹⁶

Based on the information available during appraisal, CAO finds there are preliminary indications that IFC did not ensure the proper application of PS1 requirements regarding stakeholder engagement, consultation, and disclosure of information.

IFC’s PS1 requires clients to maintain an ongoing and effective engagement with local communities through the disclosure of project-related information and consultation on matters that directly affect them. The stakeholder engagement process requires clients to identify the range of stakeholders with an interest in the project and particularly the communities that may be affected by adverse environmental and social impacts resulting from the project.¹⁷ Following PS1, stakeholder engagement includes providing affected communities with access to relevant information on “(i) the purpose, nature, and scale of the project; (ii) the duration of proposed project activities; (iii) any risks to and potential impacts on such communities and relevant mitigation measures; (iv) the envisaged stakeholder engagement process; and (v) the grievance mechanism.”¹⁸ Moreover, as part of the stakeholder engagement process, the client must undertake and document a process of consultation with affected communities that enables them to express their views on project risks, impacts, and mitigation measures.¹⁹

CAO’s preliminary review of information reveals indications of insufficient engagement and consultation with key stakeholders in the project’s area of influence, particularly landowners whose properties were adjacent to the project footprint or structures but whose properties would not be leased by the project. This observation is based on the following:

- *Stakeholder engagement and consultation in preparation of the project’s ESIA.* In preparing the project ESIA, neither the March 2016 high-level session with national and local authorities, non-governmental organizations, and research and academic institutions, nor the May 2016 consultation with representatives of the community settlements closest to the project site (Um Sarab, Bseira, Gharandal, and Ain Baida)

¹⁶ A CAO compliance appraisal must consider whether there are “preliminary indications that IFC/MIGA may not have complied with its E&S Policies.” CAO Policy, para. 91.

¹⁷ PS1, para. 26.

¹⁸ PS1, para 29.

¹⁹ PS1, para 30.

explicitly target landowners of plots within the project's area of influence. Moreover, while the stakeholder engagement undertaken in preparation of the ESIA included on-site visits to areas in the project area of influence where activity was noticed (May 2016), the information reviewed by CAO does not reveal a systematic process of identification and engagement with all landowners whose land could be impacted by project activities in this area of influence.

- *Stakeholder Engagement Plan (SEP)*. CAO notes that the project ESAP required the implementation of a SEP that included regular feedback to local stakeholders on the implementation of E&S mitigation measures related to the impacts that could affect them. The SEP was reviewed by IFC during the project's supervision phase and updated accordingly by the Client. However, CAO notes that the owner of land in the project area of influence—other than those whose land was leased by the project—were not included in the SEP's identification of project stakeholders. As a result, such landowners were also excluded from the SEP's strategy and plans detailing the objectives, methodology, and responsibilities involved in engaging with each relevant stakeholder identified.
- IFC indicated the project had carried out meetings with landowners in May and July 2016. However, CAO has found no information on how these meetings were advertised and organized, or on their methodology or content, or if in fact they included a broad group of landowners and not only those whose land had already been identified for leasing, as other project documents suggest.²⁰ Additionally, while IFC indicated that it requested the Client include a broader category of landowners in the project's SEP, CAO has not found any evidence of IFC reviewing implementation of this request. Outside of those landowners whose land is being leased, other landowners continue to not be included as a relevant stakeholder group in the project's latest version of the SEP.²¹

Regarding the requirement for clients to provide affected communities with access to relevant information on the project, including E&S risks and impacts and related mitigation measures,²² it is unclear whether this information was made broadly available to affected stakeholders and whether they were informed on how and where they could obtain it.

- While IFC indicated it had requested that the Client publish the ESIA on its website in May 2018, the Client recently clarified to IFC that no such website existed, and that instead it provides printed leaflets during consultations and stakeholder meetings, which outline the main aspects of its E&S plans. At the same time, IFC indicated that the Client is verifying whether it published the E&S documents online, although no further confirmation had been received at the time this appraisal report was finalized.
- There are some indications that relevant information was disclosed during consultations in preparation of the ESIA, as well as some documentation that supports claims of the distribution of an ESIA summary in Arabic to local authorities and community organizations.

²⁰ IFC indicated in its Response that the ESIA team documented all consultation sessions, but did not include these records in the ESIA, and upon requesting them when the CAO complaint was received, the ESIA Consultants were unable to retrieve it from their archives. Further requests by CAO for supporting information or clarifications regarding these meetings, have not been answered.

²¹ SEP, Rev. 5, September 2021.

²² PS1, para. 29.

- However, there are no indications of whether or how this information was distributed more widely or made known and made available to affected communities and stakeholders, such as the Complainants, who are not explicitly included as a target group of the SEP.

Moreover, CAO notes there are preliminary indications of non-compliance regarding IFC's own obligations regarding disclosure of project E&S information. As a Category A project, IFC's Access to Information Policy requires disclosure of the Environmental and Social Review Summary (ESRS), electronic copies of the ESIA, and the key measures to mitigate E&S risks and impacts in the ESAP.²³ Additionally, the IFC's Access to Information Policy requires IFC to update the environmental and social information, as it becomes available, if such information changes after Board approval of a project, including updates to the ESIA, ESAP, and any third party report required by IFC, in accordance with the Performance Standards.²⁴ IFC Management initially complied with its disclosure obligations when it published, prior to Board approval, the ESRS, ESIA, SEP, Cumulative Effects Assessment (CEA), and ESAP in August 2017. However, most of these documents were subsequently revised or modified, and the latest versions of them have not been updated in IFC's Project Information and Data Portal,²⁵ in apparent breach of the requirements of the IFC Access to Information Policy.

Considering the above, CAO concludes there are preliminary indications of IFC non-compliance with the Sustainability Policy requirements to review and supervise the Client's E&S performance regarding PS1 provisions on stakeholder engagement, consultation, and disclosure of information. Also, CAO concludes there are preliminary indications of IFC's non-compliance with its Access to Information Policy requirement to disclose updated project E&S information.

1.b) Preliminary Analysis of Harm²⁶

CAO finds there are preliminary indications that support the Complainants' assertion that they did not have access to project information, were not consulted as part of the project's stakeholder engagements either prior to project development or during its operational phase, all of which has the potential to cause them harm.

The Complainants provided CAO with photographs and a video that show their activities on the land and satellite images that illustrate its proximity to project facilities. This documentation, evaluated together with IFC's project maps and ESIA, indicates that the Complainants are relevant stakeholders within the project's area of influence who may be affected by project operations and who should have been included in the project's E&S information disclosure and stakeholder engagement and consultation processes.

The Complainants' assertions of not having been involved in stakeholder consultations are consistent with IFC and Client documentation regarding stakeholder identification and engagement during the preparation of the ESIA and with the Client's SEP. This potential lack of

²³ IFC Access to Information Policy, paras. 31.a, and 36.

²⁴ IFC Access to Information Policy, paras. 41.

²⁵ The ESIA was revised to meet requirements made by the Jordanian national environmental authorities, and its final version is a fourth revision, dated March 27, 2018. The SEP has also gone through several revisions, and its latest version is a fifth revision, dated September 2021. The final ESAP, included as part of the legal agreement, consists of a joint ESAP between all the lenders. As indicated by IFC in their Management Response, the IFC's ESAP was supplemented with a joint ESAP between the lenders, which includes all IFC ESAP actions, together with detailed actions that specify all PS requirements, and "serves to evaluate the Project's performance." IFC Management Response, para. 9.

²⁶ A CAO compliance appraisal is required to consider whether a complaint raises "preliminary indications of Harm or potential Harm." CAO Policy, para. 91.

engagement provides an indication that the Complainants lacked the opportunity to raise their views and concerns regarding the project and the way it affects them, and thus did not have the opportunity to influence potential mitigation measures. There are preliminary indications that, by not being consulted, potential project impacts on the Complainants' land use were not properly assessed (see more details below). Additionally, in interviews with Complainants, CAO has noticed that the Complainants lack basic information about the project, its E&S plans, the availability of the GRM or the Community Liaison Officer, and the mitigation measures implemented to address their safety concerns.

CAO concludes that the Complainants' allegations of harm, due to the lack of information and proactive engagement from the Client, are plausible and consistent with project documentation.

1.c) Analysis of Plausible Link between Harm Allegations and Potential IFC Non-compliance²⁷

CAO finds there is a plausible link between the harm alleged by Complainants and IFC's potential non-compliance with information disclosure and stakeholder engagement. Performance Standard 1 objectives include ensuring adequate engagement and consultation with affected communities throughout the project cycle on issues that could potentially affect them, as well as ensuring that relevant E&S information is disclosed and disseminated. The Complainants' lack of information, and the lack of consultation and opportunities to raise their views and concerns regarding the project and the way it affects them, could be the result of IFC's non-compliance with the Sustainability Policy requirements to review and supervise the Client's PS1 performance regarding stakeholder engagement, consultation, and disclosure of information.

2. Impacts from Wind Turbines and Alleged Lack of Compensation for such Impacts

The complaint raises different issues related to impacts and safety concerns regarding the wind turbines, particularly one wind turbine which is approximately 500m away from the Complainants' land plot.

1. Firstly, the Complainants raise safety concerns due to the potential risk of the wind turbine blades falling and the risks of electrocution due to the proximity of the wind turbine, which they heard have happened in other wind power projects.
2. Secondly, they allege that the noise and shadow flicker effects resulting from the wind turbines are above permissible levels on their plot. The Complainants argue that they are not being properly compensated for these risks and impacts on their land, either through the leasing of their land or other benefit-sharing schemes.

The Complainants consider that their family's plot of land should have been leased by the project, just as other plots were leased near the project structures. The Complainants allege that the proximity of the wind turbines to their land and the potentially negative impacts caused by them on their regular activities justify the need for the project to lease their land.

IFC Management has stated that the project ESIA, which it reviewed and found to be aligned with the PS, assessed health and safety impacts and included mitigation measures and adequate models of noise and shadow flicker to assess impacts on all applicable sensitive receptors in the

²⁷ Lastly, a CAO compliance appraisal must consider whether "the alleged Harm is plausibly linked to the potential non-compliance."

project area of influence, including both permanent and seasonal residential structures and activities.

1. According to IFC, as part of the Client's Environmental and Social Management Plan (ESMP), which IFC reviewed and monitors on an ongoing basis, the Client has implemented comprehensive measures to prevent risks of electrocution. Moreover, IFC and the Client indicate that the distance between the Complainants' land plot and the nearest wind turbines exceeds the minimum setback distances specified in the WBG's EHS Guidelines, and thus proximity does not pose risks related to blade throw.
2. IFC states that the ESIA contained adequate noise and shadow flicker models, which assessed impacts on all applicable sensitive receptors in the project area of influence, including both permanent and seasonal residential structures and activities. The models informed the process to determine the location of the wind turbines, ensuring that noise levels at sensitive receptors were within the required thresholds. Also, according to IFC, the project's layout ensured that shadow flicker shut-downs modules were installed where needed, together with adequate mitigation measures and adaptive management systems to accommodate residual risks and impacts affecting seasonal residences or activities, including the monitoring of land use activities and providing guidance to seasonal residents on where to put up their tents to avoid areas impacted by the wind turbines.

According to the IFC and the Client, the Complainants' plot of land was vacant at the time of the ESIA, and no mitigation measures were implemented on it. To date, they say it has no physical structures on it nor are any economic activities taking place on it, and thus does not classify as a sensitive receptor that could be impacted by noise or shadow flicker. IFC and the Client indicate that the selection process carried out in 2016 to determine the plots to be leased was fair, transparent, and based on project design and optimization criteria, took into consideration technical, financial, and environmental aspects of the area, and followed the mitigation hierarchy required in IFC's PS.

2.a) Preliminary Analysis of IFC Policy Compliance

CAO finds preliminary indications that IFC may not have adequately reviewed and supervised the Company with respect to IFC's E&S requirements related to the assessment of impacts and implementation of appropriate mitigation measures.

IFC's PS1 requires an environmental and social impact assessment of a project, consistent with "good international industry practice" with the "appropriate and relevant methods and assessment tools" and based on "recent environmental and social baseline data at an appropriate level of detail." When a project involves physical elements, aspects, and facilities that are likely to generate impacts, PS1 requires the identification of environmental and social risks and impacts in the context of the project's area of influence, and it also requires potentially affected communities to be consulted in order for their views on project impacts and mitigation measures to be considered and addressed.²⁸ Also, management programs should be established to mitigate and improve the environmental and social impacts identified. The management programs should be dynamic, responsive to changes in circumstances, and represent the results of monitoring and review.²⁹

²⁸ PS1, para. 30.

²⁹ PS1, paras. 13 and 16.

In the case of this particular project, good international industry practice includes the WBG's EHS Guidelines for Noise and Wind Energy. The EHS Guidelines for Wind Energy indicate that turbines must be located at an acceptable setback distance from adjacent sensitive receptors to maintain public safety in the event of ice throw or blade failure,³⁰ which should be complemented by the minimum setback distances required to meet noise and shadow flicker limits with respect to sensitive residential receptors to provide further protection.³¹ According to the EHS General Guidelines, noise prevention and mitigation measures should be applied where predicted or measured noise impacts from a project facility or its operations exceed the applicable noise level guidelines³² at the most sensitive point of reception.³³ Specifically regarding wind power projects, noise impact should be assessed in accordance with several principles, including the fact that sensitive receptors should be chosen "according to their environmental sensitivity (human, livestock, or wildlife)."³⁴ Additionally, the EHS Guidelines for Wind Energy call for prevention and control measures to avoid significant shadow flicker impacts, which should not exceed a predicted duration of 30 hours per year and 30 minutes per day on the worst affected day, based on a worst-case scenario³⁵.

1. CAO finds no preliminary indications of non-compliance with the requirements of PS1 and the EHS Guidelines for Wind Energy, regarding Complainants' allegation of impacts and lack of mitigation measures from the possibility of blade or ice throw.
 - The closest wind turbine from the Complainants' land plot is 459 meters away, exceeding the minimum setback distance of 270m to protect from blade or ice throw.³⁶
2. CAO finds preliminary indications of non-compliance regarding the assessment of project impacts on the Complainants' plot, which did not seem to consider their use of the land, in accordance with the requirements of PS1 and EHS Guidelines on noise and shadow flicker, particularly as follows:
 - The ESIA and IFC's E&S pre-investment review identified a variable seasonal use of the land in the area of influence.³⁷ However, in assessing project impacts on seasonal activities by nomadic groups or landowners, the Client only considered a land use survey, which consisted in a walk-over and on-site consultations with some

³⁰ This minimum setback distance is 1.5 x turbine height (tower + rotor radius). According to the EHS Guidelines for Wind Energy, modeling suggests that the theoretical blade throw distance can vary with the size, shape, weight, and speed of the blades, and the height of the turbine. Therefore, they recommend that the minimum setback distances required to meet noise and shadow flicker limits be maintained with respect to sensitive residential receptors to provide further protection.

³¹ EHS Guidelines for Wind Energy, para. 59 and 60.

³² The limits for noise level impacts in the WBG EHD Guidelines are 55 dBA during daytime or 45 dBA during nighttime. The limits for noise level impacts in Jordanian law for rural areas are 50 dBA during daytime or 40 dBA during nighttime. When host country regulations differ from the levels and measures presented in the EHS Guidelines, projects are expected to achieve whichever is more stringent. EHS General Guidelines, pp. 1 and 53, and ESIA, p. 99.

³³ According to the EHS General Guidelines, a sensitive receptor is: "A point of reception or receptor may be defined as any point on the premises occupied by persons where extraneous noise and/or vibration are received. Examples of receptor locations may include: permanent or seasonal residences; hotels / motels; schools and daycares; hospitals and nursing homes; places of worship; and parks and campgrounds".

³⁴ EHS Guidelines for Wind Energy, para. 20.

³⁵ EHS Guidelines for Wind Energy, paras. 39 and 40.

³⁶ Following the formula in the EHS Guidelines for Wind Energy, the minimum setback distance is 1.5 x 180 (turbine height) which equals 270m. IFC Management Response, p. 18.

³⁷ IFC Management Response, p. 10. The ESIA identified that the land use patterns in the project area of influence varied depending on the season and that the lands were owned by people from the local communities surrounding the project site, which included (but was not limited) the 4 villages consulted for the ESIA (Um Sarab, Bseria, Gharandal and Ain Baida). ESIA, p. 93-95, and ESRS, Environmental and Social Categorization and Rationale, page. 3.

stakeholders in 2016,³⁸ and a pre-construction land use mapping carried out in 2018 that was limited to the leased land. Both these identification exercises seem to have been limited in scope and, because it did not take into account the variable character of seasonal activities in the area, did not identify the full extent of activities in the project area of influence.

- There are no indications that the 2016 land use survey and 2018 land use mapping included a systematic assessment, engagement, and consultation with landowners in the project area of influence, other than those whose land has been previously identified for leasing. Without a proper and systematic consultation with landowners, their use of the land and the project risks and impacts affecting them may not have been properly assessed.
- The SEP provides for monthly site visits with nomadic groups and landowners to keep them informed of noise and shadow flicker impacts. However, as confirmed by IFC, the monitoring of seasonal land use and the actions taken to inform seasonal users about the project's E&S mitigation measures happen on an *ad-hoc* basis (that is, sporadically) and are not documented consistently, due in part to a predominantly oral culture in the area. IFC and the Client have agreed on a more systematic approach for this monitoring of seasonal land use through the actions proposed in their deferral request (see below).
- As indicated by IFC, the noise and shadow flicker modeling on the complainants' land plot reveal exceedances of threshold limits, but no mitigation measures have been implemented because no sensitive receptors have been identified in the Complainants' land plot. At the same time, however, no assessment of use and impacts on the Complainants' land have either been required or conducted to determine whether they could be considered a sensitive receptor, so that mitigation measures, such as those requested by the Complainants, be given consideration, or implemented.

³⁸ The Project used land use surveys from 2016 as E&S baseline studies to assess impacts from the project and determine the lands that would be impacted, as well as the mitigation measures that should be implemented, including which land plots would be leased by the project. According to the ESIA, local community members from nearby villages helped the developer identify available lands for leasing and on such basis, together with technical factors, 64 parcels of lands were selected within the project area for leasing for the project duration. ESIA, p. 93.

Complainants' land plot

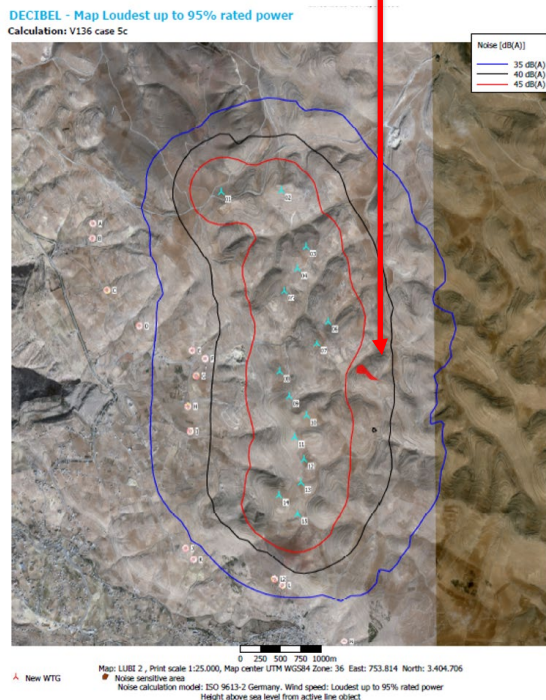


Image showing location of Complainants' land plot within the area subjected to 40dBA from the wind turbines – above the Jordanian nighttime threshold

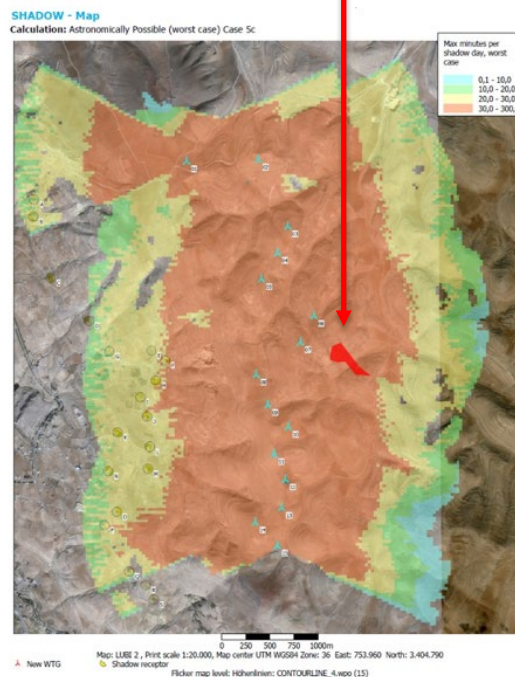


Image showing location of Complainants' land plot within the area subjected to shadow flicker for over 30 minutes per day in the worst-case scenario – above the threshold of the EHS Guidelines for Wind Energy

Source: ESIA, Annex I, Noise and Shadow Flicker.
Clarifications from IFC and Complainants for location of Complainants land plot

2.b) Preliminary Analysis of Harm

CAO finds there are preliminary indications of harm, regarding possible impacts of the noise and shadow flicker of the wind turbines on the Complainants' land, without the implementation of any mitigation measures.

CAO concludes that the Complainants' allegations of harm are plausible, basing its conclusions on the following considerations:

- The Complainants explained they have owned the land plot adjacent to the project for the last 10 years. Between 2011 and 2013 they grew field crops for self-sufficiency and used to visit the land and work on it continuously. In 2014, they planted fruit trees and continued to visit the land during the weekends and stay on the land for periods of one to two months in temporary structures (tents). The Complainants provided CAO with photos and video of

such agricultural use, which show evidence of the presence of the wind turbines during this time³⁹.

- From 2018 onwards, due to drought affecting the area, the Complainants stopped the permanent cultivation of their plot of land and decreased their visits to three to four times a year, to take care of the trees by “pruning, plowing, harvesting” as well as to ensure the safety of the land from any attacks.
- The occasional use of the land, together with the noise and shadow flicker exceedances confirmed by IFC, provide CAO with sufficient preliminary indications of possible harm to complainants.



Crops⁴⁰



Grape vines

Images provided by Complainants, taken from their land plot, regarding their use of the land at different times

Taking into consideration the issues raised by the complaint and the considerations summarized above, CAO finds that the Complainants’ claims of impacts from the project on their land are plausible. The ESIA, as well as subsequent monitoring of the project, has not yet carried out a proper and complete assessment of the environmental and social impacts from the project, that takes into consideration seasonal, occasional, and changing uses given to plots of land adjacent to the project by their landowners and users, both in consultation with them and in a systematic, continuous or periodic way, despite the fact that seasonal and temporary land use was identified since the initial E&S review as being characteristic of the area. As the alleged impacts were not properly assessed, consequent mitigation or compensation measures were not implemented, potentially affecting the Complainants’ use of their land due to noise and visual disturbances. CAO concludes that there are therefore preliminary indications of harm in this case.

2. c) Analysis of Plausible Link between Harm Allegations and Potential IFC Non-compliance

³⁹ Photos and video provided by Complainants.

⁴⁰ Person in the picture was blurred by CAO for privacy reasons.

One of the main purposes of PS1 is a complete and proper identification of environmental and social project impacts, which can in turn lead to appropriate prevention or mitigation measures. In this case, CAO concludes that the alleged harm to complainants—the lack of assessment and the lack of the possible mitigation of impacts resulting from the project that could affect the use of their land—is plausibly linked to possible shortcomings in IFC’s review and supervision of the application of Performance Standard 1 and the EHS Guidelines to the project.

3. Other Issues Raised: Bird Collision and Construction Dust

The Complainants also raised concerns regarding the impacts of dust resulting from project construction, which was ongoing at the time the complaint was submitted to CAO, and the potential restrictions imposed by the project to future bird raising, due to the risk of collision with the wind turbine blades. Regarding these allegations, IFC and the Client indicated that no bird raising or breeding activities have ever been recorded in the area, and that the Company implements adaptive bird collision risk management, based on the results of an IFC commissioned CEA report on biodiversity for the project area.

After conducting a review of project documentation and interviews with the parties, CAO does not find that these issues merit an investigation because there are no preliminary indications of harm to the Complainants or of non-compliance by IFC regarding concerns about bird collision or dust from project construction.

- The Complainants do not currently raise birds, nor have they ever raised birds, which could potentially be impacted by turbine blades. Nor do they have any specific plans to engage in this activity in the future. The Complainants’ concerns are limited to perceived restrictions regarding the practice of raising birds should they attempt to do so in the future.

Considering that the Complainants’ concerns do not refer to potential risks or impacts to biodiversity in the project area, but instead to a potential activity with no precedent in the area, CAO finds that there are no indications of harm nor of IFC’s non-compliance related to this specific concern.

- Regarding the potential impacts from project dust, CAO finds that while dust was identified as an environmental impact during project construction,⁴¹ the Complainants have not provided any information that indicates dust had a specific impact on their health, their activities on their land, or any damage to their crops or personal assets. Considering the lack of any indication of specific, negative impacts of construction dust, and the fact that the construction phase ended in 2021, CAO does not find any preliminary indications of harm to Complainants from construction dust.
- Additionally, there are preliminary indications in the project documents that IFC reviewed and supervised this issue. While CAO did not assess the effectiveness of the Client’s dust management plan during this compliance appraisal, CAO finds indications that IFC took steps to ensure that the Client implemented relevant requirements regarding dust control.

⁴¹ The ESIA included an assessment of project impacts on air quality (ESIA, p. 163) and the project ESAP required the client to include a dust management plan as part of the Company’s ESMP.

These indications of IFC's review and supervision of dust control measures, together with the absence of indications of harm to Complainants, leads CAO to conclude that the concern raised by the Complainants does not meet the requirements for a compliance investigation of this issue.

6. Management Request for Deferral of a CAO investigation

IFC may request the deferral of a CAO decision to investigate to allow time to resolve the issues raised in a complaint directly.⁴²

In this case, IFC Management submitted, together with its Response to the complaint, a request to CAO to defer its decision to investigate.⁴³

IFC explained that, based on the outcome of its engagement with CAO and in an effort to resolve the Complainants' concerns amicably, it had agreed with the Company to monitor land use activities in the entire project area of influence on a systematic basis, including on the Complainants' land plot, in order to identify any new sensitive receptors that had emerged since the baseline assessment was made, and take adequate mitigation measures in the case of threshold level exceedances.

IFC indicated that it is committed to addressing the Complainants' concerns, for which it proposed it would undertake the following actions during five months, within a six-month deferral period:

- Develop and implement an enhanced and more systematic monitoring process of land use activities to be carried out during seasons of the year when land use activities are underway (March to October), including engagement with landowners and land users.

Further details of the actions to be undertaken during the deferral period are provided below and in IFC Management's Response attached to this report. See Appendix 2.

7. CAO Analysis of Management Request for Deferral of Decision to Investigate

CAO considers an IFC deferral request based on the application of the following criteria:

- a. The severity of alleged Harm and potential compliance issues raised by the Complainant, including whether the issues of alleged Harm are clearly defined, limited in scope, and appear to be amenable to early resolution;*
- b. Whether the Management response includes specific commitments that are commensurate with the issues raised in the complaint or during the assessment, and consistent with IFC/MIGA policy requirements;*
- c. The views of the Complainant as to the impact (positive and negative) of a decision to defer; and*
- d. Other information deemed relevant by CAO.*⁴⁴

CAO's analysis of each of these criteria is set out below.

⁴² CAO Policy, para 86.

⁴³ CAO Policy, para. 98-100.

⁴⁴ CAO Policy, para 98.

a) Severity of Harm and whether the Issues Raised are Amenable to Early Resolution

CAO has found preliminary indications of harm to the Complainants due to the lack of consultation and stakeholder engagement, as well as the lack of assessment of project impacts that could affect the use of their land, and the lack of implementation of any corresponding mitigation measures. The nature and scope of such alleged harm and potential compliance issues are limited and can be addressed through the enhanced monitoring process for land use activities proposed by IFC, together with the additional commitments agreed with CAO (see below). Therefore, CAO concludes that the issues that would merit an investigation are amenable to early resolution, since they are defined and relate to a limited number of Complainants and a limited scope of issues. The actions agreed to by IFC would support an assessment of facts and determination of harm to Complainants, which could, if appropriate, result in the subsequent determination of mitigation measures according to the requirements of IFC's PS.

b) Specific Commitments Commensurate with the Issues Raised included in the Management Response

IFC's proposal for deferral includes actions designed to address one of the issues raised by the Complainants that would merit an investigation: the assessment of any operational impacts of the wind turbines (particularly noise and shadow flicker) and monitoring of the use of nearby land plots in terms of their condition of sensitive receptors to these impacts.

The actions proposed by IFC also include some commitments related to the other issues raised in the complaint, namely stakeholder engagement and the disclosure of information to landowners and land users. Nevertheless, as a result of the compliance appraisal analysis, the Complainants' comments and discussions with CAO, IFC has also agreed to the following commitments in an effort to clarify and address more specifically the issues that merit an investigation:

1. Engage an E&S expert and carry out a specific assessment of the Complainants' land use, including the possible impacts of the project, and, if appropriate, implement the corresponding mitigation measures, in accordance with IFC policy requirements. The assessment should result in a formal written report, on which the Complainants are consulted so they can provide comments and information about their land use.
2. Engage with landowners of land not leased to the project but within the project's area of influence and include them in the Stakeholder Engagement Plan (SEP), in order to inform and consult them on the project's impacts, E&S plans, prevention and mitigation measures and resources such as the Grievance Redress Mechanism (GRM), as well as enable their participation in community or other stakeholder meetings.
3. Update the project's public E&S documentation on IFC's disclosure page to include the final ESIA, latest SEP, and final ESAP.

As outlined above, PS1 and the EHS Guidelines establish requirements for clients to carry out stakeholder consultations, disclose project information, identify E&S project impacts, and manage and address such impacts through prevention and mitigation measures. These are all E&S issues regarding which CAO found preliminary indications of non-compliance and related harm.

To address those issues, CAO finds that the action plan proposed by IFC including the commitment to enhance monitoring of land use will allow (i) the identification of impacts and any new sensitive receptors that have potentially been affected during the operational phase of the

project in an area where land use can be seasonal and continuously changing, and (ii) the implementation of adequate mitigation measures in the case of impacts and threshold level exceedances. Additionally, IFC has also committed to project-level actions to address gaps in disclosure and stakeholder engagement obligations. To complement such project-wide actions, and in the context of the enhanced monitoring of land use in the project's area of influence, IFC has agreed to carry out an assessment of the specific situation of the Complainants, their land use, and possible impacts resulting from the project. This will allow for a complete, documented, and comprehensive identification of impacts, determination of whether the Complainants' land includes sensitive receptors due to their use of the land, and the implementation of any subsequent mitigation or compensation measures that are deemed appropriate, in line with IFC's policy requirements. These commitments are consistent with IFC's E&S requirements and would address the preliminary indications of harm and the potential non-compliance issues that CAO has found.

CAO concludes that the actions proposed, together with the additional commitments agreed on by IFC, substantively address the issues raised in the complaint that merit an investigation and are aligned with IFC Sustainability Framework requirements.

c) Complainants' Views Concerning Management's Deferral Request

CAO informed the Complainants of IFC's request for a deferral of the investigation, as well as its proposed actions to address the issues raised in the complaint. The Complainants indicated they consider a deferral of the investigation and the implementation of the proposed action plan a positive development, and expressed support for IFC's request to be granted. In general, they consider the actions proposed by IFC a good starting point but indicated they believe additional actions would be needed for a truly comprehensive response to the complaint. Specifically, they requested the following additional actions be included as part of IFC's action plan during a deferral period:

1. Meetings and consultations with landowners to hear their views on the project's impacts on their land.
2. Identification of a safe area around the wind turbines to avoid risks related to blades falling (blade throw).
3. Conducting of a land survey to identify impacts on nearby landowners and the definition of measures, including compensation or land lease, when landowners' rights to use the land safely are affected.

8. Decision to Grant Deferral of the CAO Decision to Investigate

CAO concludes that a deferral of the decision to investigate is the appropriate course of action for the following reasons:

- The request meets the criteria set out in the CAO Policy;
- Complainants have indicated they regard the actions proposed by IFC and the deferral option favorably;
- IFC's proposed actions with the conditions agreed to by IFC Management (see below) have the potential to resolve, in a timely manner, the issues raised by the Complainants, which were deemed eligible for investigation.

As required by CAO Policy, this appraisal report presents the conditions of the deferral as agreed by IFC Management, a framework for monitoring developments during the deferral period, and a timeline for the deferral period.⁴⁵

CAO will monitor project-level developments during the deferral period. If it assesses that the conditions have “materially changed” or that making progress toward deferral period goals is “unlikely or unfeasible,” CAO may conclude the deferral period and commence a compliance investigation.⁴⁶ Upon conclusion of the deferral period, CAO will either:

- a. *Close the case if the issues raised in the complaint have been substantially addressed and there is no particular value for accountability, institutional learning, or remedial action from conducting an investigation;*
- b. *Extend the deferral period if considerations above remain (para. 98 of the CAO Policy), and there is in CAO’s analysis a high likelihood of the issues being resolved within a defined extension period; or*
- c. *Proceed to a compliance investigation if issues have not been substantially addressed or if there is otherwise particular value for accountability, institutional learning, or further remedial action.*⁴⁷

In all instances, CAO will issue a report summarizing deferral period activities and outcomes for submission to the IFC Boards, the World Bank Group President, IFC Management, and the Complainants.⁴⁸

9. Conditions of the Deferral as Agreed by Management

IFC has agreed to carry out its proposed action plan and the additional commitments in a period of five months within a six-month deferral period, during which CAO will monitor and review IFC’s deliverables to ensure that they are consistent with relevant Sustainability Framework requirements.

In regard to the additional commitments not originally included in IFC’s proposed action plan, IFC has agreed the following:

1. Assessments of the Complainants’ land use and potential project impacts will be carried out by an E&S expert over a period of 20 weeks. The assessment will include consultation with the Complainants and will result in a formal written report, the contents of which will be communicated and explained to Complainants.
2. Within 20 weeks from the date of publication of this report, the project will update and adjust the SEP to include landowners as a stakeholder group and carry out initial engagements with said stakeholder group. The project shall document such modifications and engagements in accordance with PS requirements. IFC will review these updates and engagements and share them with CAO.
3. IFC will update the project’s public E&S documentation on IFC’s disclosure page in a period of 20 weeks from the date of the publication of this report.

⁴⁵ CAO Policy, para. 100.

⁴⁶ CAO Policy, para. 101.

⁴⁷ CAO Policy, para. 102.

⁴⁸ CAO Policy, para. 103.

10. Monitoring Framework and Deferral Timeline

CAO will review IFC's deliverables during the deferral period to ensure they are consistent with relevant Sustainability Framework requirements, particularly the relevant provisions of PS1 and the WBG EHS Guidelines.

- CAO will review and provide feedback to IFC on the methodology, findings, and proposed mitigation measures of the assessment of the Complainants' land use and potential project impacts, taking into consideration input from the Complainants and IFC's policy requirements.
- CAO will review the consistency of the updates to the Stakeholder Engagement Plan and the Enhanced Land Use Monitoring Plan with IFC's policy requirements, which will be adopted by the Client, reviewed by IFC, and shared with CAO.
- CAO will review that the updates in IFC's project disclosures are in line with IFC policy requirements.
- The Complainants can, at any time during the deferral period, raise concerns with CAO regarding the implementation of the actions and commitments agreed upon by IFC.

The deferral period proposed is six months, including making time for CAO to issue a report on IFC's implementation of its commitments and assessing whether these have addressed the issues raised in the complaint. Each of IFC's commitments have specific timelines agreed to by IFC, but all should be completed within 20 weeks of this deferral decision.

CAO expects IFC to provide it with access to all materials, evidence, and relevant persons involved in each of the actions and deliverables agreed upon, in order to properly monitor IFC's commitments and their compliance with relevant Sustainability Framework requirements.

11. CAO Decision

Based on the analysis detailed in this appraisal report, CAO concludes that the complaint meets the requirements for a compliance investigation regarding a possible lack of consultation and stakeholder engagement with landowners and users of project impacted land; lack of assessment of project impacts that could affect the use of the Complainants' land, and incomplete disclosure of project E&S documentation by IFC.

However, for the reasons presented above, CAO is granting IFC's request for a deferral of the CAO decision to investigate the above matters in order to allow IFC the opportunity to address them in a manner consistent with IFC's E&S requirements.

As required by CAO Policy, this appraisal report presents the conditions of the deferral as agreed by IFC Management, a framework for monitoring case developments during the deferral period, and a timeline for the deferral period (six months).⁴⁹ CAO will monitor IFC's actions during a deferral period to assess whether the conditions have "materially changed" or whether making progress toward deferral period goals is "unlikely or unfeasible."⁵⁰ Upon conclusion of the deferral period, CAO will either (a) close the case if the issues raised in the complaint have been substantially addressed; (b) extend the deferral period; or (c) proceed to a compliance investigation if the issues raised have not been substantially addressed.⁵¹

⁴⁹ CAO Policy, para. 100.

⁵⁰ CAO Policy, para. 101.

⁵¹ CAO Policy, para. 102.

Appendix 1: Complaint

Unofficial translation done by CAO. Original complaint in Arabic attached to the Arabic version of the report.

To: CAO
Subject: RE: شكوى

From: [REDACTED]
Sent: Tuesday, June 16, 2020 8:36:52 AM (UTC+00:00) Monrovia, Reykjavik
To: CAO Compliance
Subject: Re: شكوى

[External]

Subject: Complaint

Please note that the Daehan wind power company intends to establish a wind farm consisting of 15 turbines in Jordan, Tafila Governorate, where it obtained funding from the International Finance Corporation, and the company has leased land from farmers and excluded other lands that were not leased by virtue of the fact that they will not be It has works related to the project, despite the proximity of these lands to the turbines, neglecting the negative effects of the project on farmers 'lands, which are:

1. Flashing shade, which is a nuisance to farmers while working on their farms.
2. The view of giant turbines that scare their farmers.
3. Safety element, as the area is very windy and there is a fear that the blades of the turbines will break and fall on the neighbors.
4. Noise, as the permitted noise rate increases within the limits of neighboring properties.
5. Killing the birds raised by farmers in their lands by the movement of the turbine blades.

You can imagine that my land is approximately 500 meters away from the nearest turbine, and it was within the studies area that the company worked and was not rented.

We are all confident in your organization to solve this problem with the company and obligate them to rent the lands of all farmers, knowing that the height of the turbines intended to be installed is (180) meters.

The complainant: Omar Suleiman Hammad Al-Marafi

Appendix 2: IFC Management Response

INTERNATIONAL FINANCE CORPORATION

**MANAGEMENT RESPONSE
TO THE CAO COMPLAINT**

ON

**DAEHAN WIND POWER COMPANY PSC, JORDAN
(PROJECT #35349)**

March 14, 2022

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ABBREVIATIONS AND ACRONYMS

CAO	Office of the Compliance Advisor Ombudsman
CEA	Cumulative Effects Assessment
CIP	Community Integration Plan
CLO	Community Liaison Officer
CSR	Corporate Social Responsibility
dB(a)	A-weighted decibels
EHS	Environmental, Health and Safety
E&S	Environmental and Social
EPC	Engineering, Procurement and Construction
ESAP	Environmental and Social Action Plan
ESIA	Environmental and Social Impact Assessment
ESMP	Environmental and Social Management Plan
GRM	Grievance Redress Mechanism
IFC	International Finance Corporation
Km	Kilometer
KOSPO	Korea Southern Power Company
MW	Megawatt
PSs	IFC's Performance Standards (2012)
SEP	Stakeholder Engagement Plan
SSV	Site Supervision Visit
WPP	Wind Power Project
WTG	Wind Turbine Generator
WBG	World Bank Group

EXECUTIVE SUMMARY

i. In June 2020, the office of the Compliance Advisor Ombudsman (CAO) received a complaint (the Complaint) from a community member on behalf of him/herself and two family members (the Complainants), who jointly own a plot of land in Tafila city near the Project site. The Complaint involves IFC's investment in the Daehan Wind Power Company (the Company) in Tafila, Jordan. The Project consists of the development, construction, operation and maintenance of a 51.75-megawatt Wind Power Project (WPP) located in the Bseira District in Tafila Governorate, 130 kilometers (km) south of Amman. IFC committed to the Project in September 2018, and construction began in November 2018 and was completed in July 2021. The Project footprint area is 8.7 km² and the fifteen wind turbine generators (WTGs) are spread across 4 percent of the area utilized for the development of the Project. The closest communities are Um Sarab, Gharandal, and Bseira at 1 km, 1.3 km, and 3 km from the Project, respectively.

ii. The Complainants own a land plot nearby the WPP (reportedly at 500 meters of WTG #7). The land plot is not considered by the Company for leasing for the Project and is located within the Project area of influence. The Complaint raised the following Environmental and Social (E&S) concerns: (a) early stakeholder engagement and access to the Environmental and Social Impact Assessment (ESIA) process not being inclusive; (b) impacts on community health and safety and birds during construction and operation; (c) Project area of influence instead of Project footprint should be considered for identifying impacts on land use, and (d) loss of (economic) opportunity and social disparities within local communities.

iii. This document (the Management Response) clarifies and responds to the issues raised in the Complaint and proposes actions to address the concerns before CAO's investigation. IFC highly values CAO's process of complaints resolution and evaluation to enhance IFC's E&S performance, including the opportunity of providing this Management Response, as it supports IFC's commitment to public accountability and seeks opportunities to resolve issues to the extent reasonably possible.

iv. During the development of the Project, the Company hired a qualified Jordanian consulting firm which is accredited by Jordan's Ministry of Environment, and which partnered with an international engineering firm to complete the ESIA aligned with IFC's PSs (Performance Standards) and the Jordanian Environmental Impact Assessment Regulation 37/2005. The ESIA findings and IFC's appraisal visits informed the E&S Review Summary (ESRS) and the E&S Action Plan (ESAP), which were disclosed on IFC's website in August 2017. Based on the Company's compliance with the ESAP and Supplemental Action Plan, IFC considers that the Company has implemented the Project following the PSs.

v. IFC confirmed that early stakeholder engagement during the Project design was comprehensive and inclusive, on the basis of the ESIA. Stakeholder consultations began as early as February 2016 and included a scoping session targeting all identified stakeholder groups. In addition, on-site meetings with the land users were held during spring 2016 to present the Project to ensure that all affected parties were well-versed in the scope of the Project and its potential impacts. Such meetings were held in Arabic which is the native language of Jordan as well as the Complainants. IFC disclosed the final draft of the ESIA and its annexes in August 2017, about 13 months in advance of the start of Project construction. The Company disclosed the ESIA, the

Stakeholder Engagement Plan (SEP), ESAP, and the E&S Management Plans on its website in May 2018, also ahead of the construction of the Project. Moreover, upon IFC's request, the Company offered a summary of the ESIA in Arabic, available through the Community Liaison Officer and other publicly accessible sources in the surrounding municipalities. The ESIA covered the full range of potential E&S risks and impacts associated with the construction and operation of a wind farm and includes adequate risk mitigation and management measures in line with IFC's PSs and the World Bank Group (WBG) Environmental, Health and Safety (EHS) Guidelines (General and Wind Energy).

vi. The Project area of influence, used for several baseline E&S studies including land use surveys, is aligned with the definition in IFC PS1, and includes both the actual footprint of the Project components as well as the area that is likely to be affected by each E&S parameter. The land selection process for leasing took place during the Project design phase in 2016. IFC confirmed that it was transparent, based on Project design and optimization criteria, and had proceeded on a purely voluntary basis both from the seller's and buyer's perspective. Leasing of land also followed the mitigation hierarchy required in IFC's PSs.

vii. Concerning potential negative impacts of the Project on birds, IFC confirmed that the Company implements rigorous adaptive bird collision risk management, based on the results of an IFC commissioned Cumulative Effects Assessment report on biodiversity for the Project area. IFC has found no evidence of any practice of raising or breeding birds based on consultation with experts. However, if birds with demonstrated economic and/or socio-cultural value are raised lawfully in the future while being at collision risk, IFC will work with the Company to assess the risks and impacts from a biodiversity conservation viewpoint and to implement mitigation measures as needed.

viii. The Project design included considerations to reduce the visual impact on the applicable sensitive receptors¹ in the surrounding landscape.

ix. To assess noise and shadow flicker² impacts, the ESIA contained adequate noise and shadow flicker models including applicable sensitive receptors. The Complainant's plot was not identified as a sensitive receptor based on the ESIA land use survey and baseline study, since during the ESIA no permanent or seasonal structure or activity was observed. Sensitive receptors include both permanent and seasonal residences. During appraisal, IFC noted periodic residences of land users occasionally erecting tents for temporary use during the warm season in the Project area of influence which qualify as sensitive receptors. Such occasional installation of tents was highlighted by IFC to the ESIA Consultants. They conducted walk-over surveys and concluded that the tent locations are neither permanent nor semi-permanent, given that they are seasonal and do not settle in the exact same area each year, and as such that their locations could not be included as an established baseline in the ESIA noise and shadow flicker models.

x. As a practical approach, existing structures for permanent residence and activities within the Project area of influence were identified as points of reception for which noise and shadow

¹ Sensitive receptors are points of reception where the occupants are significantly more susceptible to the adverse effects of exposure to certain impacts.

² Shadow flicker is the effect of the sun (low on the horizon) shining through the rotating blades of a wind turbine, casting a moving shadow. It will be perceived as a "flicker" due to the rotating blades repeatedly casting the shadow.

flicker levels were calculated in the ESIA models. These models informed micro-siting³ of the WTGs. The final layout of the WPP ensured that the modeled operational turbine noise levels at these permanent sensitive receptor locations were within thresholds defined by Jordanian Noise Regulations and WBG EHS Guidelines and included installation of shadow flicker shut down modules⁴ on eight of the fifteen WTGs to mitigate for this effect at the permanent sensitive receptors. To account for the seasonal residences, the models assessed noise and shadow flicker impacts for the entire Project area of influence, and any residual risks and impacts, including on tents, were accounted for by defining adequate mitigation measures and adaptive management. This includes continuous monitoring by the Company of land use activities as well as providing guidance to seasonal residents for installing their tents while avoiding impacted areas. Also, during the Project implementation, the Company improved its Project Community Grievance Redress Mechanism which has functioned effectively on several occasions addressing residual land use-related risks and impacts.

xi. Finally, with regards to loss of economic opportunities or causing social disparities, the ESIA assessed the potential socio-economic impacts from the Project as generally being positive, contributing to enhancing the living environment in the surrounding communities. Local employment opportunities, procurement of services from the local community, and leasing of land were identified as the main opportunities created by the Project. Also, the Company implements a principle of community-benefit sharing. In particular, the Community Integration Plan prioritizes local employment and procurement, and includes a Corporate Social Responsibility program based on a needs assessment, which yielded a list of potential projects per sector and community/village. IFC determined that there was no potential for the surrounding communities to lose livelihoods nor being displaced as a result of the Project, given that the land use activities are limited to self-sufficiency and that land is leased on a voluntary basis, without the possibility of expropriation.

xii. During the appraisal and supervision of the Project, IFC has applied its Policy on Environmental and Social Sustainability to support the Company with implementation of the Project in accordance with IFC's PSs, with all applicable ESAP items as well as additional actions identified through IFC's supervision completed by the Company.

xiii. Going forward, and under the ongoing supervision of IFC, the Company will continue to inform the land users about potential impacts related to proximity of the WTGs and to monitor the land use activities. In addition, based on the outcomes of its engagement on the CAO complaint and to amicably resolve the Complainants' concerns, the Company will monitor the land use activities in the entire Project area of influence, including the Complainants' land plot, on a systematic basis to identify any new sensitive receptors since the baseline was established for which impact mitigation would be needed.

xiv. IFC remains committed to address any concerns and cooperate with the Company to implement adaptive management and further monitor and mitigate potential E&S impacts. As part of this commitment, as explained above, IFC identified the additional actions to be implemented

³ Micro-siting is a process to determine the specific location of a wind turbine. Each position must comply with several requirements regarding existing wind resource, distances from other wind turbines and neighbors, etc.

⁴ Shadow flicker shut down modules are fitted on the WTG and comprise sensors to register shadow flicker: if the registered shadow flicker exceeds a programmed threshold, it pauses the blades to avoid the shadow flicker on identified locations of sensitive receptors.

by the Company to further address the Complainants' concerns based on which this Management Response seeks CAO's approval to defer the investigation process.

I. INTRODUCTION

1. In June 2020, the Compliance Advisor Ombudsman (CAO) received a complaint (the Complaint) from a community member on behalf of him/herself and two family members (the Complainants). The Complaint involves the Daehan Wind Power Company (the Company) which constructed and operates a wind power project (WPP) in the Tafila Governorate in Jordan, and which is financed by the IFC and other Lenders under Project #35349 (the Project). The Complainants, who live in Tafila city and jointly own a plot of land near the Project site, raised concerns about construction impacts as well as potential future operational impacts, given the proximity of their land to the WPP.

2. CAO considered the Complaint eligible for assessment in July 2020. CAO released an Assessment Report in November 2020,⁵ after which the parties began a CAO-facilitated mediation. In February 2022, CAO shared its Dispute Resolution Conclusion Report (CAO Conclusion Report), noting that the Complainants had decided to terminate the mediation. The case was then transferred to CAO's compliance function.⁶

II. PROJECT BACKGROUND

A. IFC investment in the Company

3. The Project consists of the development, construction, and operation and maintenance of a 51.75-megawatt (MW) WPP located in Bseira District, Tafila Governorate, 130 km south of Amman. The Project footprint area is 8.7 km² and the fifteen wind turbine generators (WTGs) are spread across 4 percent of the area utilized for the development of the Project. The closest communities are Um Sarab, Gharandal, and Bseira at 1, 1.3, and 3 km, respectively.

4. The Company is owned by the Korea Southern Power Co. Ltd. and Daelim Energy Co. Ltd, (together, the Sponsors). The Project supplies electricity to the Jordanian National Electric Power Company under a 20-year Power Purchase Agreement.

5. Project costs at commitment were US\$102.6 million, financed through a package of US\$71.4 million (Senior Loans) comprised of: (a) US\$10.2 million, which IFC is providing from its own account; (b) US\$25.5 million from the Managed Co-Lending Portfolio Program; and (c) US\$35.7 million from Shinhan Bank and Standard Chartered Bank under a Korea Trade Insurance Corporation Export Credit Agency guarantee (the Covered Lenders). IFC and the Covered Lenders are collectively referred to as the "Lenders."

6. IFC committed to the Project in September 2018. Project construction began in November 2018, and the Commercial Operations Date was declared in July 2021. Since then, the WPP has been fully operational, providing energy to Jordan's national grid.

⁵ CAO Assessment Report Regarding Concerns in Relation to IFC's Investment in Daehan Wind-01/Tafila (#35349) in Jordan, November 2020.

⁶ Dispute Resolution Conclusion Report Regarding Complaint Received in Relation to IFC's Investment in Daehan Wind Power Company (IFC #35349) in Jordan, February 2022.

B. Environmental and social assessments and activities

7. The Project has been implemented following IFC's environmental and social (E&S) Performance Standards (PSs).⁷ A qualified Jordanian consulting firm, accredited by the Ministry of Environment, partnered with a professional international engineering firm (together, the ESIA Consultants), to complete the Environmental and Social Impact Assessment (ESIA) for the Company in March 2018. The ESIA Consultants conducted the ESIA aligned with IFC's PSs and the Jordanian Environmental Impact Assessment Regulation 37/2005.⁸

8. Site visits and stakeholder consultations were conducted by the ESIA Consultants in the Project area during March-May 2016 and between July 2016 and April 2017 as part of the ESIA.

9. In December 2016, IFC conducted its appraisal, including an in-person site visit, and held follow-up meetings with the Sponsors in Dubai in June 2017. The findings of these visits and meetings, including review of the land leasing process to verify that it was a voluntary transaction,⁹ and review of the ESIA, informed the preparation of the E&S Review Summary (ESRS) and the E&S Action Plan (ESAP), both of which were disclosed by IFC in August 2017.¹⁰ The IFC ESAP was later supplemented with a joint ESAP between the Lenders, including engagement of a third-party consultant acting as the Lenders' Environmental Advisor. The joint ESAP includes all IFC ESAP actions together with detailed actions that specify all PS requirements; it serves to evaluate the Project's performance.

10. IFC's initial review of the draft ESIA resulted in incorporating additional sections to address concerns related to stakeholder engagement, biodiversity, noise, and shadow flicker¹¹ impacts, together with corresponding mitigation measures. IFC found that the final ESIA was prepared in line with the PSs and satisfactorily addressed the issues raised during the appraisal process.

11. The Project was assessed as E&S Category A, based on significant biodiversity-related risks. The Project is part of a cluster of WPPs located to the east of the Dana Biosphere Reserve, a legally protected area. The Dana Biosphere Reserve is designated under UNESCO's Man and the Biosphere Reserve Program and is located within a Key Biodiversity Area and an Important Bird and Biodiversity Area due to the diverse assemblage of breeding birds and unusual mix of biogeographical conditions present in the area.

12. Pre-construction bird and bat monitoring surveys were undertaken by the Company between January 2015 and March 2016, given the known concerns about impacts of WPPs on these species. Before IFC committed to the Project, it commissioned a Cumulative Effects Assessment (CEA) report on biodiversity,¹² which included the results of some of these surveys. The CEA report

⁷ https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/policies-standards/ifcsustainabilityframework_2012

⁸ See <https://www.eia.nl/en/countries/jordan/esia-profile>

⁹ IFC met with some landowners and reviewed the land lease process, including the land leasing focus groups, as part of the Project's stakeholder engagement.

¹⁰ <https://disclosures.ifc.org/project-detail/ESRS/35349/daehan-wind-power-company>

¹¹ Shadow flicker is the effect of the sun (low on the horizon) shining through the rotating blades of a wind turbine, casting a moving shadow. It will be perceived as a "flicker" due to the rotating blades repeatedly casting the shadow.

¹² Tafila Region Wind Power Projects – Cumulative Effects Assessment, February 2017

identified the potential cumulative impacts on biodiversity from the multiple existing and planned WPPs (both financed and not financed by IFC) around the Dana Biosphere Reserve, including those from the Project, and resulted in an E&S Management Plan including mitigation, monitoring, and other management measures that were jointly agreed amongst the WPP developers to address the highest risks on biodiversity.

13. At appraisal, community health and safety risks and impacts were assessed as low given the absence of permanent residences and limited agricultural activity within or immediately adjacent to the Project site (i.e., defined as within 1 km of any WTG). Based on its due diligence, IFC noted that the Project is located in an area where landowners and land users install tents for temporary use during the warm season and highlighted this to the ESIA Consultants. They conducted a land use walk-over survey (see ESIA, chapter 11) which found mainly uncultivated land due to the rocky, hilly, and windy terrain with seasonal agricultural use and occasional erection of tents by nomads and/or local community members. The ESIA considered these activities in the impacts assessment and modeling, and in the mitigation measures. The joint ESAP incorporated actions to mitigate any impacts on affected communities during construction and/or operation, including: (a) community integration (complying with Jordanian legal requirements); (b) community health and safety; (c) traffic management; (d) stakeholder engagement; (e) grievance redress mechanism (GRM); (f) emergency preparedness and response; (g) noise, dust, and shadow flicker management; and (h) security management.

14. Since commitment in September 2018, IFC has been actively engaged in supervision of the Project. IFC reviewed deliverables for construction related ESAP items and conducted the first site supervision visit (SSV) during construction in September 2019, in which it highlighted deficiencies regarding contractor management, stakeholder engagement and grievance redress management. During further Project implementation, IFC implemented enhanced supervision including assigning a social specialist to the Project team and developing a Supplemental Action Plan with the assistance of the Lenders' Environmental Advisor, to support the Company's compliance with the PSs. This included actions related to improving the Environmental and Social Management Plans (ESMPs); addressing Occupational Health and Safety issues during construction; managing grievances; and enhancing stakeholder engagement, all of which were satisfactorily implemented. IFC regularly monitored detailed priority actions¹³ underlying the high-level actions in the Supplemental Action Plan. Progress in implementing these actions was initially slow during March-July 2020 due to COVID-19 lockdowns and related measures put in place by the Government of Jordan.

15. Despite COVID-19 related limitations, the Company achieved substantial progress in implementing the priority actions by August 2020. IFC observed further improvements by the Company and the Engineering, Procurement and Construction (EPC) Contractor during the second (virtual) SSV in November 2020.¹⁴ Subsequently, the Supplemental Action Plan was updated to

https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/publications/tafila+region+wind+power+projects+-+cumulative+effects+assessment

¹³ These priority actions were identified by IFC together with the Lenders' Environmental Advisor based on observed gaps and were characterized as medium or high priority, depending on severity and required timeline to close (urgency).

¹⁴ Improvements were evidenced in the domains of Project E&S management (increased commitment and

include the participation of the Company and EPC Contractor in an interactive, IFC-organized workshop to address potential challenges during the operational phase related to the Stakeholder Engagement Plan (SEP) and Community Integration Plan (CIP). Over the first six months of 2021, the Company made progress¹⁵ and demonstrated its commitment,¹⁶ providing satisfactory evidence of completion of all construction-related actions required to comply with IFC's PSs.

16. In October 2021, IFC conducted the Project's first SSV during the Project's operational phase. This included focusing on some of the areas covered by the Complaint, such as continued stakeholder engagement related to operational impacts on land users and implementation of the Noise Management Plan developed by the Company. The Company has been responsive, undertaking identified actions to address these issues, which are monitored by the Lenders and IFC.

17. In summary, IFC has verified the implementation of ESAP items, through site visits and remote supervision, reviews of the monitoring reports prepared by the Lenders' Environmental Advisor (three during construction; annually during operations), and the Project's E&S Annual Monitoring Report for 2019 and 2020. IFC confirmed that the Project's E&S Management System and associated ESMPs outline all key mitigation measures identified in the final ESIA and CEA as well as actions identified throughout IFC supervision, in compliance with Jordanian regulations, IFC's PSs and the World Bank Group (WBG) Environmental, Health and Safety (EHS) Guidelines. In addition, IFC and the Company remain committed to address any arising concerns and take additional steps, as needed, to monitor and mitigate potential additional E&S issues.

III. CAO COMPLAINT

18. In June 2020, CAO received the Complaint and determined its eligibility in July 2020. Based on CAO's Assessment Report¹⁷ and Dispute Resolution Conclusion Report,¹⁸ the Complainants live in Tafila city and jointly own a plot of land adjacent to the Project site, reportedly at 500 meters of WTG #7. The plot (of about 2 hectares) is not considered by the Company for leasing for the Project.

19. Once IFC was made aware of the Complaint in July 2020, IFC engaged with the Company through virtual meetings and e-mail correspondence on potential resolution, in parallel with CAO's Dispute Resolution process, providing guidance on the E&S issues raised in the Complaint and

responsibility for E&S, and enhanced contractor management) and performance (significantly improved compliance with General WBG EHS Guidelines, in particular, occupational health and safety, and managing construction impacts). Implementation of stakeholder engagement and grievance resolution was observed to be weak and related priority actions were added to the Supplemental Action Plan.

¹⁵ Improvements were evidenced through closing detailed actions including improved SEP and CIP, and implementation of an enhanced GRM.

¹⁶ The Company added Variation Orders to its existing contract with the Lenders' Environmental Advisor, expanding the Scope of Work during Project construction to include monitoring progress and assisting with closing out the identified actions. The Company demonstrated responsiveness by providing continuous support to allow IFC and the Lenders' Environmental Advisor to further assess the Project's compliance with the IFC's PSs and ESAP, e.g., through participation in weekly calls and timely providing requested documentation.

¹⁷ CAO Assessment Report Regarding Concerns in Relation to IFC's Investment in Daehan Wind-01/Tafila (#35349) in Jordan, November 2020. (https://www.cao-ombudsman.org/sites/default/files/downloads/CAOAssessmentreport_Daehan-01Jordan_November2020_ENG.pdf)

¹⁸ Dispute Resolution Conclusion Report Regarding Complaint Received in Relation to IFC's Investment in Daehan Wind Power Company (IFC #35349) in Jordan, February 2022.

supporting any follow-up resulting from the CAO joint and bilateral meetings between the Company and the Complainants.

20. The Complaint raised E&S concerns related to the following: (a) early stakeholder engagement and access to the ESIA process not being inclusive; (b) impacts on community health and safety and birds during construction and operation; (c) Project area of influence instead of Project footprint should be considered for identifying impacts on land use; and (d) loss of (economic) opportunity and social disparities within local communities. The specific allegations are provided in more detail below:

- The Complainants did not have access to the ESIA;
- The Company did not have the Complainants' approval to undertake (environmental, social, climate, and other) studies on their land;
- The Company did not conduct a proper and thorough stakeholder engagement process with the Tafila community before construction and did not consult with them as part of their ESIA process;
- Construction and operational impacts on the surrounding communities include nuisance from dust during construction, operational shadow flicker, noise, visual disturbance, safety (electrocution, blade/ice throw) and collision impacts with birds that they allegedly raise;
- The Complainants claim that the Company ignores the impacts on the Project site's adjacent lands by only leasing the lands where the Project infrastructure is built;
- The Complainants allege that the impacts of the Project on their land deprive them of the opportunity to make any use of their land, such as erecting tents for temporary residences, or leases to another wind power project; and
- By only leasing selected plots from some members of the local communities, the Company created social disparities and a sense of unfairness within communities in which members have strong kinship and lineage relationships.

21. Following the Assessment phase, a CAO-facilitated mediation on the above concerns was initiated in February 2021, in which the Company diligently engaged to resolve the issues. The dispute resolution activities ended in December 2021, with Complainants requesting the case be transferred to CAO's compliance function.¹⁹

IV. MANAGEMENT RESPONSE

22. This Management Response provides a detailed response to the Complaint, specifically: (a) early stakeholder engagement and access to the ESIA process not being inclusive; (b) impacts on community health and safety and birds during construction and operation; (c) Project area of influence instead of Project footprint should be considered for identifying impacts on land use; and (d) loss of (economic) opportunity and social disparities within local communities.

¹⁹ Dispute Resolution Conclusion Report Regarding Complaint Received in Relation to IFC's Investment in Daehan Wind Power Company (IFC #35349) in Jordan, February 2022.

A. Early stakeholder engagement and access to the ESIA process

23. *The Project's ESIA.* IFC reviewed the ESIA, which was professionally prepared through a partnership of Jordanian and international consulting firms, to verify compliance with the PSs. The ESIA was also approved by the Ministry of Environment. Following revisions during the appraisal process, IFC found that the ESIA was prepared in line with the PSs, which includes stakeholder engagement and consultations.

24. *Public disclosure of the ESIA.* In compliance with IFC's Access to Information Policy, IFC disclosed the final draft of the ESIA and annexes, together with the SEP and CEA, in August 2017, which was about 14 months before construction began.²⁰ Upon IFC's request, the Company disclosed the ESIA, SEP, ESAP, and ESMPs on its website (May 2018),²¹ and made a summary of the ESIA in Arabic available through the Community Liaison Officer (CLO) and several public areas in the surrounding municipalities,²² including Tafila city. It was also possible to access the ESIA by filing a request using the grievance boxes installed in the nearby communities, including the municipality where the Complainants' land is situated, and on the Project site.

25. *Stakeholder Engagement.* IFC confirmed that stakeholder identification and consultations were carried out during the Project design phase and aimed to be comprehensive and inclusive. The informed stakeholder consultation and participation began as early as March 2016, contributing to the ESIA. This included: (a) high-level consultations (the "Scoping Session") targeting all identified stakeholder groups, and (b) detailed engagement and consultations focusing on specific stakeholder groups using on-site consultations and local community sessions, bilateral meetings, e-mail communication, phone communication, and formal letters. During the development phase of the Project, and as part of the ESIA process, and per Jordanian regulations, the Ministry of Environment, together with the ESIA Consultants, organized the Scoping Session in March 2016 to which national and local authorities, municipalities, local communities, non-governmental organizations, research and academic institutions, and civil society organizations were invited.²³ The Scoping Session included a presentation in Arabic, the native language of Jordan and also the Complainants, of the Project and its potential impacts, during which concerns were raised by participants on the preliminary ESIA. These concerns improved the methodology for further assessment and enhanced mitigation strategies in the final ESIA.

26. During the ESIA Scoping Session, it was noted and acknowledged that representatives of the local communities, despite being invited, were not present. To facilitate their participation during the ESIA, several on-site consultation sessions were undertaken (see ESIA, chapter 6.5.2), including:

- (i) Local community consultation in Bseira (May 23, 2016): stakeholders were identified and invited through formal letters issued by Bseira municipality, and mainly consisted

²⁰ <https://disclosures.ifc.org/project-detail/ESRS/35349/daehan-wind-power-company>

²¹ This was confirmed to IFC by the Company in an e-mail with attached evidence (dated August 20, 2018).

²² The Company shared hard copies of the summary of the ESIA in Arabic with the Vice President and Governor of Tafila Governorate, Council of the Local Committee, Managers of both Tafila and Bseira Land Survey Department, Executive Managers of the Municipalities of Tafila, Bseira, and Gharandal, and Managers of Tafila and Bseira Sports Clubs.

²³ ESIA for KOSPO 51.75MW Wind Power Project in Tafileh, March 2018 – Annex I (List of Attendees, Agenda and Detailed Minutes of Meeting for the Scoping Session).

- of representatives of the closest communities, local community members, community-based organizations, community elders, landowners and users including nomadic people, local enterprises and businesses, women groups, youth, and unemployed individuals;
- (ii) Two focus groups (May 28 and July 13, 2016) with 78 and 29 attendees, respectively, targeting the landowners, to discuss land availability, land lease prices, Project schedule and components; and
 - (iii) Several site visits (March-May 2016, July 2016-April 2017) during the season with the highest on-site land activities by nomads and local communities, covering all sites with any land-based activity throughout the Project area.

27. During the above-referenced visits, the ESIA team included native Arabic speakers who reportedly presented and introduced the Project allowing the stakeholders to raise questions and concerns. The ESIA team listened to concerns and obtained information on land use activities and socio-economic conditions. The ESIA (pg. 73) states that the ESIA team documented all consultation sessions, with the records including transcripts, minutes of meetings, lists of participants and attendees, and comments; these were not included in the ESIA. Upon receiving the Complaint, IFC requested the ESIA Consultants to provide such information, who were unable to retrieve it from their archives. The Complainants belong to stakeholder groups of landowners and local community members, who were invited to participate in the two land-leasing focus groups and on-site sessions, however, it could not be confirmed whether the Complainants participated or were invited.

28. By the start of the construction phase in November 2018, the Company had developed a SEP, including a community GRM, which IFC reviewed and found to be aligned with the PSs. Since 2016, the Company-appointed CLO, who is one of the landowners from Tafila and has been permanently available in an office in Tafila. During the September 2019 SSV, IFC met with the CLO and confirmed that the CLO had the necessary experience to engage with the communities. The Company has displayed an open and constructive posture with regard to queries about Project information or concerns, which are handled by the Company's EHS Engineer together with the CLO, both native Arabic speakers. Similarly, as the CAO's Dispute Resolution Conclusion Report notes, "...the Company extended an invitation to the Complainants to visit the Project site for further discussions"²⁴ and "remained committed to the process."²⁵ Also, further stakeholder engagement with the landowners and land users will be included as part of the additional actions that are proposed in Table 1. In this regard, IFC seeks CAO's approval of deferring the compliance investigation to allow time for such actions to be implemented, which would also help address the Complainant's concerns (see paragraph 38 and section E. below).

29. Throughout Project development, IFC monitored implementation and improvement of the SEP, GRM, and CIP. During the pandemic, IFC has provided guidance to the Company on how to

²⁴ Dispute Resolution Conclusion Report Regarding Complaint Received in Relation to IFC's Investment in Daehan Wind Power Company (IFC #35349) in Jordan, pg. 3, February 2022.

²⁵ Dispute Resolution Conclusion Report Regarding Complaint Received in Relation to IFC's Investment in Daehan Wind Power Company (IFC #35349) in Jordan, pg. 4, February 2022.

continue implementing those activities, referring to its Interim Advice for IFC Clients on Safe Stakeholder Engagement in the Context of COVID-19.²⁶

B. Impacts on community health and safety and birds during construction and operation

30. *ESIA*. During the on-site consultations with the local communities as part of the ESIA during 2016-2017, concerns raised by the participants included Project impacts regarding land use, visual disturbance, health and safety, air quality, shadow flicker, noise, and birds. The ESIA (2018) covered the assessment of these, and other, potential impacts, including mitigation measures, which IFC reviewed and found to be in line with the PSs.

31. *Dust impacts during construction*. Assessment of Project impacts on air quality throughout the Project's phases is included in chapter 17 of the ESIA. Mitigation measures were included in the Air Quality Management Plan (AQMP). During Project construction, IFC monitored and identified gaps in the Company's implementation of the AQMP related to dust control, dust inspection, and monitoring. The Company and its EPC Contractor subsequently closed these gaps by more consistent and improved implementation of quarterly dust monitoring,²⁷ daily inspection reporting, weekly EHS reports, and mitigation measures, such as covering dusty cargo and spraying the road. The Company adequately followed up with damage assessment and mitigation or compensation, as applicable, on a few dust-related grievances received through the Project's GRM during construction.

32. *Sensitive receptors*. Sensitive receptors for noise and shadow flicker impact modeling include both permanent and seasonal residences. The Complainant's land plot was not identified as a sensitive receptor based on the ESIA land use survey, which did not observe any permanent or seasonal structure or activity. Based on its due diligence, IFC noted that landowners and land users occasionally erect tents for temporary use during the warm season in the Project area of influence which qualify as sensitive receptors. IFC highlighted this to the ESIA Consultants who conducted walk-over surveys (see ESIA, chapter 11), concluding that these tent locations are not permanent (they are seasonal) neither semi-permanent (they do not settle in the exact same area each year), and as such their locations could not be included as an established baseline in the ESIA noise and shadow flicker models. As a practical approach, existing structures for permanent residence and activities within the Project area of influence (houses to the west of the Project site) were identified as points of reception for which noise and shadow flicker levels were calculated in the ESIA models. The variability of seasonal residences was accounted for by modeling the noise and shadow flicker impacts for the entire Project area of influence and by defining adequate mitigation measures and adaptive management for any residual risks and impacts, including the actions proposed in Table 1 supporting IFC's request to seek CAO's approval of deferring the compliance investigation (see paragraph 38 and section E. below).

33. *Noise impacts during operation*. IFC found the operational noise modeling in the ESIA (see chapter 10) to be aligned with IFC's PSs. The modeling applied the following factors: (a) the

²⁶ https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/publications/publications_tipsheet_covid-19_stakeholderengagement

²⁷ Monitoring included measuring of suspended particles, distinguishing between Total Suspended Particles (TSP), Particles less than 10 µm (PM10) and Particles less than 2.5 µm (PM2.5).

potential cumulative impacts from the Jordan Wind Project Company (JWPC) Tafila Project which was developed ahead of the Project, and two quarries nearby; (b) the most conservative applicable threshold values determined by land use (rural)²⁸ and presence of receptors; (c) “worst case” assumptions;²⁹ and (d) potential sensitive receptors identified during site visits and consultation sessions. The noise modeling confirmed that operational turbine noise levels would be within noise thresholds defined by Jordanian Noise Regulations (2003) and WBG EHS Guidelines³⁰ at the nearest permanent sensitive receptors identified.³¹ This followed a micro-siting process where several WTG locations were shifted eastward to avoid potential noise exceedances, based on earlier modeling undertaken as part of the ESIA.

34. The Company developed an operational Noise Management Plan, which included a noise impact measurement undertaken in June 2021 to verify the noise modeling outcomes in the ESIA with noise levels at the WPP in operational mode. IFC confirmed that the Noise Management Plan contains sufficient mitigation measures should actual noise levels exceed applicable threshold values. Possible mitigation measures include use of the low-noise modes provided in the WTG model Vestas V136 which could be implemented in case of noise related complaints and when actual noise levels measured would appear to exceed applicable threshold values.

35. *Shadow flicker impacts during operation.* IFC found the operational shadow flicker modeling in the ESIA (see chapter 9) to be aligned with the PSs. The Company took several conditions into account, including (a) potential cumulative impacts from the nearby JWPC Tafila WPP, and (b) worst case conditions.³² The same sensitive receptors were used as for noise impacts. The model indicated that several exceedances of the WBG EHS Guidelines threshold limits for shadow flicker of 30 minutes per day or 30 hours per year (worst case scenario) are possible in the morning hours at some of the sensitive receptors located to the west of the WPP. IFC verified the shadow flicker mitigation measures per the Company’s Community Health and Safety Plan, which includes installing shadow flicker shut down modules³³ on eight selected WTGs that could be

²⁸ Given the Jordanian Noise Regulations (2003) are more stringent than the WBG EHS Guidelines, the first were applicable, which determine noise sensitive areas based on zonal planning classification. As detailed information on zonal planning classification was not available in the Project area of influence, the strictest noise limit of 40 dB(A) (residential areas in rural villages) was considered as a conservative assumption.

²⁹ Worst-case assumptions for operational noise modeling included: downwind noise propagation conditions for each WTG location and for each receptor; 70 percent humidity and 10°C air temperature; the maximum sound power level (in A-weighted decibels (dB(a)) reached for the WTG (expected only under high wind conditions). Masking of the WTG noise by the noise of the wind itself was not considered.

³⁰ Applicable WBG EHS Guidelines for this Project include: WBG General EHS Guidelines (2007), WBG EHS Guidelines for Wind Energy (2015), and WBG EHS Guidelines for Electric Power Transmission and Distribution (2007).

³¹ The following noise threshold levels are applicable: as per Jordanian regulations (conservatively considered residential rural: 50dB(a) during day; 40 dB(a) during night) and WBG General EHS Guidelines (55 dB(a) during day; 45 dB(a) during night).

³² Astronomical worst case scenario conditions were defined as follows: there is continual sunshine and permanently cloudless sky from sunrise to sunset; there is sufficient wind for continually rotating turbine blades; and rotor is perpendicular to the incident direction of the sunlight. Sun angles less than 3 degrees above the horizon level are disregarded; distances between the rotor plane and the tower axis are negligible; and light refraction in the atmosphere is not considered.

³³ Shadow flicker shut down modules are fitted on the WTG and comprise sensors to register shadow flicker: if the registered shadow flicker exceeds a programmed threshold, it pauses the blades to avoid the shadow flicker on identified locations of sensitive receptors.

deployed to mitigate for shadow flicker at the permanent sensitive receptors. The Company has ordered these modules which are expected to be installed by end April 2022, and IFC will verify their installation and appropriate use.

36. *Potential shadow flicker and noise impacts on the Complainants' land plot.* As indicated above, the Complainant's plot was not identified as a sensitive receptor based on the ESIA land use survey. IFC consulted with the Company and the ESIA Consultants on the land use. Based on the Project Manager's daily presence in the area and the CLO's observations during his frequent consultations with the landowners and users, in particular during the warm season with the highest activity, they confirmed that the land use on the plot has not changed since the ESIA baseline studies. Also, the Jordanian consulting firm of the ESIA Consultants, which is currently contracted as E&S Advisor to the Company, and which has a daily presence through its ornithologists in the field (see paragraph 43 below) testified that the land is fallow. This confirms that the Complainants' land plot is still not considered a sensitive receptor per WBG EHS Guidelines. IFC agreed with the Company that the monitoring of the land use activities in the Project area of influence, including the Complainants' land plot, can be conducted in a systematic and documented manner to identify any new sensitive receptors for which impact mitigation would be needed. As a result, also attempting to amicably resolve the Complainants' concerns, IFC identified additional actions which the Company will implement, utilizing IFC's ongoing support in this area and based on which this Management Response seeks CAO's approval to defer the investigation process. (see paragraph 38 and section E. below).

37. IFC requested the ESIA Consultants to replicate the noise and shadow flicker impact modeling for the most eastern and western sides of the Complainant's land plot, despite not being a sensitive receptor as mentioned above. The maximum operational noise levels on the land plot were found to be between 42.9 and 45.5 dB(a)³⁴ (day/night), which exceeds the Jordanian night threshold value (40dB(a)), but not the day threshold value (50dB(a)). The shadow flicker threshold limit (worst case scenario) of 30 hours per year and 30 minutes per day is exceeded on the Complainants' land plot. The shadow flicker exceedances are seasonal,³⁵ and do not occur during summer, which is the season with the highest on-site land activities. The replication concluded that four WTGs can cast shadow flicker over the Complainants' land plot. In case the land plot would qualify as sensitive receptor due to changed land use, the currently planned curtailment modules which the Company has ordered and will install on eight WTGs (including these four WTGs), and which are fitted to bring the impact below the threshold level, could serve to mitigate this impact. Night-time noise impacts could be mitigated by switching the WTG(s) causing the impact to low-noise modes until the impact is below the threshold level.

³⁴ A-weighted decibels, abbreviated dBA, or dBa, or dB(a), are an expression of the relative loudness of sounds in air as perceived by the human ear. In the A-weighted system, the decibel values of sounds at low frequencies are reduced, compared with unweighted decibels, in which no correction is made for audio frequency. This correction is made because the human ear is less sensitive at low audio frequencies, especially below 1000 Hz, than at high audio frequencies.

³⁵ The potential shadow flicker impact on the Complainant's land plot is seasonal: there is no potential impact at all on the eastern side from mid-April until end-August (during other months, shadow flicker is variable between 3-7 p.m.); there is no potential impact on the western side from April until mid-Sept (during other months, shadow flicker is variable between 3-6 p.m.).

38. Since baseline situations can change and cannot be wholly managed or influenced by the Company, IFC requires the Company to continuously monitor land use activities in the Project area of influence and inform land users about the impacts involved due to proximity of the WTGs, as stated in the SEP. Should the land use on any land plot in the Project area of influence change such that it becomes a sensitive receptor per WBG EHS Guidelines, to include periodic residence by installing tents, IFC requires the involved parties to implement the following steps: (a) the landowner must show that the planned activity is a consistent land use, which can include regular seasonal residence; and (b) based on this, the Company will (i) confirm the sensitive receptors; (ii) assess the potential impacts through additional studies; and (iii) implement the mitigation hierarchy, identifying and implementing mitigation measures commensurate with the risks and impacts, to support compliance with the PSs. To support the above process, IFC agreed with the Company on additional actions related to enhanced monitoring of land use activities, as further specified in section E. below.

39. *Visual impacts during operation.* IFC found that the ESIA landscape and visual impact assessment (see ESIA, chapter 8) was conducted based on a rigorous application of the PSs and WBG EHS Guidelines. The assessment considered the following: (a) cumulative impacts; (b) landscape sensitivity based on settlement patterns; (c) topography; (d) cultural history; (e) land use, as observed during site visits (March 2016); (f) the visibility of all components of the WPP; and (g) different receptors with various degrees of sensitivity. Based on the generally limited visibility of the WPP in the area due to topography, the impact was assessed as Moderate, with almost no visibility from the Dana Biosphere Reserve, the most sensitive area with regard to tourism, which is located around 7.5 km from the Project. Furthermore, the layout of the WPP was designed to have a reduced visual impact on the landscape, and the WPP is hardly visible from the nearest town since the topography shields it from view.

40. *Blade (ice) throw risks during operation.* IFC found that blade (ice) throw impacts and mitigation are sufficiently covered in the ESIA (see chapter 20.5). IFC confirmed that the minimum distance between the Complainant's land plot and the nearest WTGs and mast locations exceeds the minimum setback distances specified in the WBG EHS Guidelines and thus proximity does not pose a risk.³⁶

41. *Risk of electrocution.* To mitigate this risk, all WTGs are fitted with locked doors, a fence is installed around the substation and office area, there is video surveillance, and security guards are present there to prevent unauthorized entry. Warning signs (written and pictorial) are installed on turbines and substations. Access restrictions are also explained orally during continuous engagement with the local communities and nomadic groups. Procedures to implement these measures are covered in the operational ESMPs (Community Health and Safety Plan, Security Management Plan, and SEP), which IFC reviewed and monitors on an ongoing basis.

42. *Collision risk for birds during operation.* Per the joint ESAP, the Company implements a rigorous, adaptive collision risk management plan to address biodiversity-related risk for birds, which is reflected by the Project's E&S Category A (see paragraph 11 above). As a result, the Company applies in-flight activity monitoring, incorporating observer-led shutdown on-demand

³⁶ As per WBG EHS Guidelines for Wind Energy (2015): the minimum setback distance is 1.5 x turbine height (tower + rotor radius), in this case for V136 WTG, with a hub height of 112m and rotor radius of 68m: $(112+68)*1.5 = 270\text{m}$.

procedures to safeguard priority bird species³⁷ from collision with the WTG rotors, in compliance with IFC PS 6. These measures, which incorporate joint mitigation measures for the WPPs in the area as per the CEA, were based on extensive baseline field surveys during three migration seasons in the pre-construction phase, using methodologies developed by the Scottish Natural Heritage adapted to allow for adequate characterization of migratory bird activity along the Rift Valley / Red Sea flyway. IFC continuously monitors the Company's implementation of these protocols. Per the joint ESAP, the Company is also required to report promptly to IFC, the Covered Lenders, and Jordanian authorities on priority bird fatalities and to provide bi-annual reports detailing the results of in-flight monitoring,³⁸ shutdown on-demand incidents and near-misses, carcass search surveys, and trials to calibrate these surveys.

43. IFC has engaged in the wind sector in Jordan since 2012, including the development of the CEA. IFC consulted on the practice of raising or breeding birds with the Jordanian consulting firm of the ESIA Consultants, who have equally been involved in the WPPs and the area for several years and who are the E&S Advisor to the Company. The consultants confirmed that such activity is unknown in the Project area and surroundings. The ornithologists based in the field for this Project and other WPPs also confirmed that they have never observed nor reported any such activities. Should it be evidenced that any birds legally raised belong to the priority species as identified in the CEA, the Company must apply rigorous measures to mitigate any collision risk (as described in paragraph 42 above). In case any birds legally raised (which are not listed in the priority species) have demonstrated economic or socio-cultural value, and if they are at risk of collision, IFC will request the Company to assess the risks and impacts from a biodiversity conservation viewpoint and implement mitigation measures as needed.

C. Project footprint versus Project area of influence for identifying impacts on land use

44. *Project footprint versus Project area of influence.* The ESIA's definition of the study area for assessing E&S impacts as the Project area of influence³⁹ is aligned with IFC PS 1. The ESIA specified that this includes the actual footprint of the Project components and a thematic area of influence varying for each of the studied E&S parameters. Baseline E&S studies, including a land use survey, were conducted within the Project area of influence. The Complainant's land plot was not included in the Project's footprint based on its ineligibility per the selection criteria described in paragraph 53 below, yet it was included in the Project area of influence (the ESIA study area).

45. *Project (actual) footprint versus leased land surface area.* The land surface area that is leased for the WPP is greater than the actual Project footprint (i.e., where Project components are constructed): the latter is calculated to be around 4 percent of the total leased land surface area and 1.4 percent of the Project area of influence (see ESIA, chapter 11.2.2).

³⁷ The CEA identified 13 priority bird species of which populations are at highest risk of cumulative effects from the WPPs in the study area from a biodiversity conservation viewpoint, to include migratory soaring, resident/summer breeding raptor, and passerine species.

³⁸ One collision fatality of a priority species has been recorded in the first 5 months of operations to December 2021.

³⁹ As per the ESIA for KOSPO 51.75MW Wind Power Project in Tafila, March 2018 (chapter 5.4.1, pg. 57): "The overall Study Area for the ESIA represents the potential area of influence of the project. This is 'the area over which significant effects of the project could reasonably occur, either on their own, or in combination with those of other developments and projects'."

46. *Trespassing of private land.* Given the location of the Complainants' land plot within 500 meters of the closest WTG, the plot was part of the ESIA study area, which coincides with the Project area of influence (see paragraph 5 above), and thus was included in the site visits and field surveys in the ESIA study area. IFC verified with the ESIA Consultants their practice of accessing private land for land use surveys. The ESIA Consultants confirmed that they consistently obtained permission from the landowner if the land parcel was fenced off and/or contained any structure. In the absence of a fence or structures, they conducted walk-over surveys and consistently introduced themselves, explaining the field survey methods and purpose to anyone encountered on-site.

47. *Land use baseline and impacts.* A walk-over survey and on-site consultation sessions were conducted within the Project area of influence to map the actual land use patterns and assess any impacts. This took place during the season with the highest on-site land activities. The main land use patterns identified are: (a) agricultural activities undertaken by the local communities during the day for self-sufficiency purposes, including seasonal livestock grazing, wheat and barley harvesting, some occasional grazing, and some planted crops on small-scale private farms, some of which have small structures for daytime use; and (b) nomadic groups who move to the area during the warm season and settle on private or public land, however not in the same location every year (and not always in the Project area of influence) to undertake similar agricultural activities. These activities are undertaken mainly for self-sufficiency purposes, with most of the land in the Project area being considered 'fallow lying land' (see ESIA, pg. 49). Given the current limited footprint of the Project, the impacts were assessed to be of minor significance, with the identified mitigation measures⁴⁰ considered by IFC to be aligned with IFC's PSs.

48. *Land use-related grievances.* For residual land use-related risks and impacts, the Project's Community GRM is in place and has functioned effectively on several occasions. During construction, four land use-related grievances were filed. One was related to a private road that had been included in the Project's actual footprint without a lease agreement, which was resolved by a lease agreement with the landowner. The other three complaints related to temporary inaccessibility to private land due to road closure for safety reasons or damage to the road from construction activities. These were resolved by re-opening and repairing the roads.

D. Loss of opportunity, and social disparities within the local communities

49. *Socio-economic baseline conditions.* The ESIA includes an assessment of socio-economic baseline conditions, based on secondary statistical data and socio-economic studies, verified during consultation sessions with the local communities (see ESIA, chapter 21). The information confirmed the tribal affiliations of the communities, with each village belonging to a distinct (sub-group) tribe. The ESIA indicates that poverty and unemployment rates in the Tafila Governorate are significantly higher than national averages, which was confirmed with the local communities during the consultations. IFC's appraisal confirmed that the baseline study was sufficiently comprehensive.

50. *Potential socio-economic impacts.* The ESIA also assessed potential socio-economic impacts from the Project as being generally positive, contributing to enhancing the living

⁴⁰ Mitigation measures included pre-construction mapping within the Project footprint area of (a) water wells and water harvesting structures (February 2019) to avoid such areas for construction, and (b) the agricultural activities (May 2019).

environment in the surrounding communities. The ESIA included recommendations to enhance these positive impacts throughout the Project phases. IFC verified that the impact assessment was done in accordance with the PSs. Socio-economic impacts generally cannot be assessed at an individual or household level and occur in a wider area extending beyond the Project's (spatial) area of influence.

51. *Loss of livelihood.* IFC determined that there was no potential for the surrounding communities to lose livelihoods as a result of the Project, given that the land use activities are limited to self-sufficiency and land is leased beyond the Project's actual footprint on a "willing buyer/willing seller" basis, i.e., without the possibility of expropriation. IFC verified potential economic land use practices in the area with the ESIA Consultants and found that landowners sometimes lease their lands to nomadic groups, or erect tents on their land even if settled in the surrounding communities. The Project does not impinge on either of these activities. Also, neither of these practices was observed on the Complainants' land plot during the baseline land use survey in 2016, or afterwards, as confirmed separately by the Company and the ESIA Consultants.

52. *Economic opportunities.* Local employment, procurement of services, and leasing of land to the Project represent the main economic opportunities. The Company implements procedures based on the principle of community-benefit sharing. For example, the CIP describes procedures for local recruitment and procurement of local services, in compliance with the *Regulation for Obligatory Employment of Jordanian Workforce from Surrounding Communities in Development Projects No. (131) for the year 2016*. It also includes a Corporate Social Responsibility (CSR) Program based on a needs assessment,⁴¹ yielding a list of potential projects per sector and community or village. The Company selects optional priority projects for development, and the CIP includes monitoring and reporting requirements with defined key performance indicators, which IFC monitors.

53. *Selection of land for leasing.* The land selection and leasing process took place from the onset of Project development and had begun before the ESIA was finalized. In fact, most land lease agreements were signed by the end of July 2017, before start of construction. The process was discussed during the ESIA stakeholder engagement sessions, targeting all landowners and nomadic groups (see ESIA, chapter 11.1.3). The ESIA indicates that, generally, local communities showed support for the Project and even assisted the Company in identifying lands in the area available for leasing. The land selection was transparent and based on clear criteria, including Project design and optimization criteria.⁴² For the final Project design, 66 parcels (52 private and 14 government-owned, with 415 owners in total) have been leased for the Project duration. IFC's appraisal confirmed that the process had proceeded on a voluntary basis and that the Company had also

⁴¹ This needs assessment was conducted in coordination with the Local Development Unit of the Tafila Governorate and the Governorate's municipal local council members (using focus groups with local community representatives, reviewed by the executive board committee of Tafila Governorate, and assisted by the United States Agency for International Development).

⁴² Criteria determining the WPP layout included: optimal wind speeds and turbulence intensity, distances between turbines, location of existing infrastructure (e.g., roads, powerlines), buffer of 70 meters from archaeological sites, noise and shadow flickering on permanent structures, buffer of 1 km to Regularized Boundaries of nearby villages, and buffer of 10m from wadi systems.

engaged in detailed consultations with local community members. Leasing of land also follows the mitigation hierarchy to minimize the area of land leased for the Project.

54. *Potential loss of opportunity.* The Complainants' land plot was not eligible for inclusion in the leased land for the Project footprint per the selection criteria described above. Nevertheless, as required by IFC's PS 1, the Company is mitigating opportunity costs at the community level through its activities, including stakeholder engagement, and implementation of its CIP and CSR activities, as described in paragraph 52.

E. Request for Deferral

55. IFC is committed to continue its work with the Company to support the mitigation of E&S risks and impacts. In an effort to amicably resolve the issues raised by the Complainant related to improving the assessment of operational impacts of the WPP (noise/shadow flicker) and monitoring of the plot's land use status in terms of its sensitivity as a receptor to these impacts, and any other land plots in the same situation within the Project area of influence, more systematic and documented information gathering is needed. This will include monitoring and review of documentary evidence, consultations with concerned individuals, and on-site verification, to further assess the operational impacts raised by the Complainants and mitigate as needed. IFC would therefore like to request a deferral of the investigation process until such work can be completed and respective actions implemented by the end of the warm season (March-October).

56. Irrespective of whether CAO approves the deferral request, the actions identified by IFC to enhance the Company's work in areas addressing operational impacts, have been formally agreed by the Company who will undertake to start in March 2022 to cover the warm season of 2022. IFC understands that CAO will monitor these actions, and at the end of the deferral period, assess the way forward with respect to the case. In the meantime, IFC and the Company remain committed to further engaging with CAO on this Project to foster resolution of potential issues.

57. IFC has agreed with the Company on the following actions related to enhanced and more systematic monitoring and documenting of land use activities. These actions will support the process described in paragraph 38 above, adding to a strengthened adaptive management framework, allowing (i) early identification of new sensitive receptors potentially impacted by operational impacts and (ii) adequate mitigation in case of threshold level exceedances.

Table 1

<i>Topic</i>	<i>Action</i>	<i>Responsibility (Company, IFC, or third party)</i>	<i>Deliverable</i>	<i>Timeframe</i>
Enhance method for monitoring of land use activities during season with land use activities	1. Develop the Terms of Reference for a qualified E&S consulting firm to be hired by the Company to cover the tasks related to additional actions 2-8 as defined below.	Company (Project Manager), IFC Project team, with CAO review and inputs on the TOR	Consultant TORs	4 weeks from start date
	2. Define the Study Area for enhanced land use monitoring to include that part of the Project area of influence where noise and shadow flicker threshold levels (defined by Jordanian Noise Regulations (2003) and WBG EHS Guidelines) are potentially exceeded as per the ESIA modeling based on final layout of the WPP.	Company (Project Manager), qualified E&S consulting firm; IFC Project team consultations with CAO on the findings	Consultant reports	6 weeks from start date
	3. Define the temporal scope and frequency for enhanced land use monitoring to cover the period that landowners and informal and formal land users are active and present in the Study Area (March-October).			6 weeks from start date
	4. Comprehensively define the “sensitive receptors” for the Project per WBG EHS Guidelines in the Study Area.			6 weeks from start date
	5. Establish a method for enhanced land use monitoring, including mapping and reporting, based on actions 2-4.			6 weeks from start date
Implement method for monitoring of land use activities during season with land use activities	6. Company to assign on-site staff and/or third party competent to conduct the enhanced land use monitoring based on the methodology developed in actions 2-5.	Company (Project Manager); IFC Project team consultations with CAO and Company on findings	CVs and identified staff or third-party credentials	8 weeks from start date
	7. Company or third party to engage with landowners and land users to inform them of the monitoring process and to obtain trespassing permit as needed.	Company (Project Manager); IFC Project team consultations with CAO and Company on outcomes	Consultation records	8 weeks from start date
	8. Company or third party to monitor based on the frequency and period identified following action 3.	Company (Project Manager); IFC Project team consultations with CAO and Company on findings	Inspection records	8 weeks from start date, frequency depending on outcome of action 3

<i>Topic</i>	<i>Action</i>	<i>Responsibility (Company, IFC, or third party)</i>	<i>Deliverable</i>	<i>Timeframe</i>
	9. Company to regularly report to the Lenders on the findings and observations from the enhanced land use monitoring.	Company (Project Manager); IFC Project team consultations with CAO and Company on findings	Company Report	Every two months during the period identified in action 3 – during the first three years of operations

IV. CONCLUSION

58. IFC takes seriously E&S concerns and is committed to responding to stakeholder grievances and engaging with CAO and its complaint handling process. IFC appreciates CAO’s efforts and outreach throughout the Assessment and Dispute Resolution stages and will continue to cooperate with the CAO Compliance team as it undertakes its work.

59. IFC has confirmed that early engagement and the preparation of a well-developed ESIA have offered a fundamental basis to address E&S issues from the Project design stage, including concerns raised in the Complaint. Actions by IFC, such as continuous supervision with clearly defined and agreed Supplemental Action Plans for the Company, have served as important tools in addressing E&S issues during all the Project’s phases.

60. IFC’s appraisal included a comprehensive review of each of the Complainant’s concerns. Multiple reviews of the ESIA and commissioning third-party advice from Jordanian and international industry experts enhanced the Project’s performance to function in line with the PSs. As mentioned, the Project’s E&S Category A was assessed based largely on biodiversity-related risks (including related cumulative impacts from existing and planned WPPs in the Tafila area).

61. The appraisal and supervision also confirmed socio-economic risks and impacts as low, given the absence of permanent residences within or immediately adjacent to the Project site and no sensitive receptors identified within 1 km of WTG locations. Micro-siting of the WTGs was undertaken to further minimize these impacts within the Project area of influence. The joint ESAP incorporated actions to mitigate any impacts and enhance opportunities for affected communities during construction and/or operation, including: (a) community integration (complying with Jordanian legal requirements); (b) community health and safety; (c) stakeholder engagement; (d) grievance redress; (e) traffic management; (f) emergency preparedness and response; (g) noise, dust and shadow flicker management; and (h) security management.

62. The ESIA has identified an appropriate Project area of influence for which the baseline studies have adequately assessed the potential risks and impacts. The mitigation hierarchy was implemented, and commensurate and adequate mitigation measures were defined for any residual

risks and impacts. The latter includes the ongoing land use monitoring by the Company, informing the land users of any impacts, and further mitigation, as needed, should monitoring evidence new sensitive receptors per WBG EHS Guidelines.

63. In addition, IFC has agreed with the Company on the actions in section IV.E. above related to enhanced and more systematic monitoring and documenting of land use activities. These actions will add to a strengthened adaptive management framework, allowing (i) early identification of new sensitive receptors potentially impacted by operational impacts and (ii) adequate mitigation in case of threshold level exceedances. These actions will be implemented irrespectively of whether CAO would base its decision on the same to defer the investigation process.

64. IFC's engagement with CAO and the Company on this Project has produced lessons learned, including on stakeholder engagement and monitoring of baseline situations, which IFC has documented and will implement in future projects to continue improving its work in E&S matters.

65. Going forward, IFC, with support from the Lenders' Environmental Advisor, will continue to monitor and supervise the Project's E&S performance and support the Company addressing E&S risks and impacts. The Company has demonstrated open and continuous cooperation with the Lenders and stakeholders involved in the Project in E&S matters.

Disclaimer

This IFC Management Response is provided in response to the Office of the Compliance Advisor Ombudsman (“CAO”) finding a complaint to a project supported by IFC finance or investment eligible for compliance appraisal.

Nothing in this IFC Management Response or in the process provided for in the CAO Policy (“CAO Process”) (1) creates any legal duty, (2) asserts or waives any legal position, (3) determines any legal responsibility, liability, or wrongdoing, (4) constitutes an acknowledgment or acceptance of any factual circumstance or evidence of any mistake or wrongdoing, or (5) constitutes any waiver of any of IFC’s rights, privileges, or immunities under its Articles of Agreement, international conventions, or any other applicable law. IFC expressly reserves all rights, privileges, and immunities. IFC does not create, accept, or assume any legal obligation or duty, or identify or accept any allegation of breach of any legal obligation or duty by virtue of this IFC Management Response.

While reasonable efforts have been made to determine that the information contained in this IFC Management Response is accurate, no representation or warranty is given as to the accuracy or completeness of such information. CAO is not a judicial or legal enforcement mechanism. Its analyses, conclusions, and reports are not intended to be used in judicial or regulatory proceedings nor to attribute legal fault or liability and it does not engage in factfinding nor determine the weight that should be afforded to any evidence or information. No part of this IFC Management Response or the CAO Process may be used or referred to in any judicial, arbitral, regulatory, or other process without IFC’s express written consent.

Appendix 3: Client Response



Daehan Wind Project

51.75 MW Wind Farm

TAFILAH-JORDAN

CLIENT RESPONSE TO THE CAO COMPLAINT ON DAEHAN WIND POWER COMPANY



14 MAR. 2022

The response below has been prepared by Daehan Wind Power Company (“DWPC”) in response to the issues raised in the complaint filed with the CAO in June 2020 and related to the Wind Power Project it is managing in Tafila, Jordan. This document presents the key issues of concern raised by the Complainant and the DWPC’s response which aims to demonstrate that such complaints are not factual.

1. Impacts from Noise and Shadow Flicker

The Complainant claims that noise and shadow flicker from the turbines will have an impact on their land plot. A noise and shadow flicker modeling was undertaken that followed good international industry practice (“GIIP”) requirements (including IFC Environmental and Social Performance Standards, “IFC PSs”). The IFC requires the Environmental and Social Impacts Assessment (“ESIA”) to consider impacts on sensitive receptors. Given that the Complainant’s plot was (i.e. at the time when ESIA study was undertaken) and is still to date completely vacant with no permanent physical structures (e.g. housing units) and/or economical activities (e.g. farming activities), it does not classify as a sensitive receptor that could be impacted.

2. Health and Safety

The Complainant claims that risks of blade throw from the turbines will have an impact on their health and safety. GIIP requirements, including IFC PSs and World Bank Environmental, Health and Safety Guidelines (“WBG EHS Guidelines”),¹ identify minimum setback distances regarding blade/ice throws with respect to residential sensitive receptors and determined by the turbine height, which have been implemented for all fifteen wind turbines. Also, a legally required buffer of 1 kilometer to Regularized Boundaries of nearby villages was maintained, resulting in the absence of any residential sensitive receptor within 1 kilometer of each of the turbines.

Given that the Complainant’s plot was (i.e. when ESIA study was undertaken) and is still to date completely vacant and empty with no physical structures (e.g. housing units) and/or economical activities (e.g. farming activities), it does not classify as a residential sensitive receptor and therefore no setback distances are required to be implemented. Nevertheless, the minimum distance between the Complainant’s land plot and the nearest turbines’ locations exceeds the minimum setback distances in the WBG EHS Guidelines.

3. Missed Opportunity for Farmers to Raise Birds

The Complainant claims the Project will entail a missed opportunity for farmers to raise birds in the area.

Based on extensive surveys undertaken within the Project site and surrounding areas as well, no bird raising activities were ever noted or recorded.

¹ Applicable WBG EHS Guidelines for the Project include: WBG General EHS Guidelines (2007) and WBG EHS Guidelines for Wind Energy (2015).

It is also worth mentioning that should the Complainant decide to undertake bird raising activities within the plot through a controlled environment (e.g. tractors), the Project would not prohibit nor have an impact on such an activity.

It is also to be noted that the Company implements rigorous adaptive bird collision risk management including in-flight activity monitoring incorporating observer-led shutdown on demand procedures to safeguard identified priority bird species from a biodiversity conservation point of view.

4. Stakeholder Consultations

The Complainant claims that the Company did not conduct a proper and thorough stakeholder engagement process and never consulted with them as part of the ESIA process.

The ESIA consultant undertook a consultation process that is in line and consistent with relevant national and international regulatory requirements applicable to the Project, including the IFC PSs. This included arranging for a national scoping session as well as site visits and 'open' and targeted local community consultation sessions in coordination with local governmental entities. In addition, onsite surveys and consultations were undertaken during the season with the highest on-site land activities including any land users present onsite at that time.

In addition, the Company undertakes continuous consultation and engagement activities with the local communities throughout the implementation of the Stakeholder Engagement Plan (SEP).

5. Land Leasing Process Created Social Disparities

The Complainant further claimed that, by leasing some lands surrounding the Project to the exclusion of theirs and despite their proximity to the turbines, the Company was arbitrarily creating social disparities within the Tafila community, especially given that the presence of the turbines near their land prevented any other potential economic opportunity for them.

It is impracticable for the Company to lease all land plots surrounding the Project site for the purpose of the Project development and such request would simply imply the demise of the Project.

A thorough, detailed, fair, and transparent site selection process was undertaken, taking into consideration technical (project design and optimization), financial, and environmental aspects. Making an exception to such prescribed criteria and arbitrarily leasing the Complainant's land plot would create an unfair environment against any other landowners in the community.

In addition, it is also important to note that the Company does not restrict, in any way, the Complainant to pursue other economical activities on his/her land plot within the applicable laws of Jordan.

The Company values its relationship with the Tafila community and reiterates its commitment to support the local community through its Stakeholder Engagement Plan, Community Integration Plan, and Corporate Social Responsibility (CSR) program that aims to serve all community members in a shared and transparent manner.

The Company remains open to receiving any grievances through its Community Grievance Mechanism, which will be followed up and resolved through the established procedures.

Any demonstrated impact as per the IFC PS and WBG EHS Guidelines will be assessed and mitigated as needed.

CAO Mediation Process

DWPC welcomed the invitation of CAO to engage in the Mediation process and participated in all sessions and meetings with all seriousness and desire to end the dispute. Where the company invited the complainants to visit the project and accompany them to other projects in operation to inspect the noise levels on the ground.

DWPC remains committed to continuing the dialogue with the Complainants on their concerns. DWPC adheres to its policies guiding its dealings with the surrounding local communities which is based on community-benefit sharing while avoiding personal benefit and financial compensation to individuals.

Appendix 4: Considerations Relevant to the Appraisal per CAO Policy

The CAO Policy⁵² provides for the compliance appraisal to take into account additional considerations, as outlined in the table below.

CAO Policy provision	Analysis for this case
For any Project or Sub-Project where an IFC/MIGA Exit has occurred at the time CAO completes its compliance appraisal, whether an investigation would provide particular value in terms of accountability, learning, or remedial action despite an IFC/MIGA Exit (para. 92a).	Not applicable
The relevance of any concluded, pending, or ongoing judicial or non-judicial proceeding regarding the subject matter of the complaint (para. 92b).	Not applicable
Whether Management has clearly demonstrated that it dealt appropriately with the issues raised by the Complainant or in the internal request and followed E&S Policies or whether Management acknowledged that it did not comply with relevant E&S Policies (para. 92c).	As outlined in the appraisal section of this report, CAO found preliminary indications of non-compliance. In this context, CAO concludes that IFC has not clearly demonstrated that it dealt appropriately with issues raised by the complaint. While IFC has not explicitly acknowledged non-compliance with relevant E&S Policies, it has requested a deferral of the investigation to enhance the project's monitoring of seasonal land use and respective mitigation measures in an effort to address the issues raised in the complaint.
Whether Management has provided a statement of specific remedial actions, and whether, in CAO's judgment after considering the Complainant's views, these proposed remedial actions substantively address the matters raised by the Complainant (para. 92d).	As outlined in the deferral section of this report, IFC's Management Response includes a request for deferral with commitments from IFC to undertake specific actions to address the issues raised by Complainants which would merit an investigation.
In relation to a Project or Sub-Project that has already been the subject of a compliance investigation, CAO may: (a) close the complaint; (b) merge the complaint with the earlier compliance process, if still open, and the complaint is substantially related to the same issues as the earlier compliance process; or (c) initiate a new compliance investigation only where the complaint raises new issues or new evidence is available (para. 93).	Not applicable

⁵² CAO Policy, para. 92.