

PUBLIC

EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT

**PROJECT COMPLAINT MECHANISM
ELIGIBILITY ASSESSMENT REPORT**

**COMPLAINT: IPP4 AL-MANAKHER POWER PROJECT
REQUEST NUMBER: 2015/02**

DECEMBER 2015

PUBLIC

TABLE OF CONTENTS

EXECUTIVE SUMMARY	2
I. BACKGROUND	2
II. STEPS TAKEN IN THE ELIGIBILITY ASSESSMENT	4
III. SUMMARY OF THE RELEVANT PARTIES' POSITIONS	5
Position of the Complainants	5
Position of EBRD Management	8
Position of the Client	13
IV. DETERMINATION OF ELIGIBILITY	16
Overview of Eligibility Requirements	16
Compliance Review: General Eligibility Criteria	17
Compliance Review: Other Criteria	17
Compliance Review: Additional Criteria	30
Problem-solving Initiative: General Eligibility Criteria	31
Problem-solving Initiative: Disqualifying Criteria	32
Problem-solving Initiative: Additional Criteria	32
V. CONCLUSIONS	34
Terms of Reference for Compliance Review	35
ANNEXES	42
Annex 1: Complaint	
Annex 2: Bank Management Response	
Annex 3: Client Response	

EXECUTIVE SUMMARY

On 3 August 2015 the Project Complaint Mechanism (PCM) received a Complaint regarding the EBRD's IPP4 Al Manakher Power Project in Jordan.¹ The Complaint was submitted by Jordanian non-governmental organisation East Amman Society for Environmental Protection (EASEP).

Following submission of the Complaint, EASEP provided the PCM Officer with a list of a total of 91 residents, landowners, and farmers from communities around the IPP4 power plant (together, the "Complainants") who EASEP's Chairman advised have authorised EASEP to represent them. The Eligibility Assessors understand that many of the Complainants are also members of EASEP.

The Complainants seek a Problem-solving Initiative (PSI), together with Compliance Review regarding allegations of non-compliance with Relevant EBRD Policies.

On 11 August 2015 the Complaint was registered pursuant to the PCM's 2014 Rules of Procedure² (PCM RPs) 11-13, and was subsequently uploaded to the PCM website, pursuant to PCM RP 20. PCM Expert Halina Ward was appointed as an Eligibility Assessor to conduct an Eligibility Assessment jointly with the PCM Officer in accordance with PCM RP 22.

In determining the eligibility of the Complaint, the Eligibility Assessors examined the requirements of the PCM RPs to determine if the Complaint is eligible for a Problem-solving Initiative, a Compliance Review, both, or neither.

The Eligibility Assessors have determined that the Complaint is **eligible for a Compliance Review** under PCM RPs 24-29; and that it is **not eligible for a Problem-solving Initiative**.

¹ Complaint Number 2015/02. Available online at <http://www.ebrd.com/cs/Satellite?c=Content&cid=1395245816929&d=&pagename=EBRD%2FContent%2FDownloadDocument>.

² Project Complaint Mechanism (PCM) Rules of Procedure, EBRD, May 2014. Available online at <http://www.ebrd.com/documents/occo/project-complaint-mechanism-pcm-rules-of-procedure.pdf>.

I. BACKGROUND

1. On 2 August 2015, a Complaint was received by the EBRD Project Complaint Mechanism (PCM) Officer via email. The Complaint was submitted by the East Amman Society for Environmental Protection (EASEP), its Chairman, and all members of EASEP.
2. The Complaint requests Compliance Review and a Problem-solving Initiative in relation to the IPP4 power plant in Jordan. The issues raised in the Complaint are serious and wide-ranging, and include complaints of inadequate stakeholder engagement in the environmental and social impact assessment (ESIA) process, inadequate monitoring, failures in respect of implementation of environmental and social mitigation measures, inadequate grievance mechanisms, failure to meet requirements in relation to indigenous peoples and resettlement, inadequate waste management and disposal arrangements, inadequate community involvement in monitoring and testing and in plant emergency preparedness and response processes, failure to employ local community members in the plant, and failure to give preferential treatment to contractors from local affected communities, and inadequate support for community development.
3. The IPP4 power plant is located near Al Manakher village, some 14 km East of Amman.³ The IPP4 project (the “Project”⁴) involves the construction and operation of a 240 MW peaking power plant the purpose of which is “to supply electricity to Jordan’s National Transmission System to help meet temporary demands to maintain the stability of the System.”⁵ The power plant comprises 16 reciprocating engines, each with a capacity of 15 MW.⁶
4. The power plant is owned by AES Levant Holdings B.V/ Jordan (referred to as the “Client” in this Eligibility Assessment), which is ultimately owned 60% by AES Corporation of the US and Mitsui and Co. Ltd of Japan (together, “the Sponsors”).⁷ Finance for the project has been provided on a 75:25 debt:equity basis, with USD 90 million of the USD 360 million provided by way of equity and shareholder loans from the Sponsors. USD 270 million of debt was provided to the Client on a senior, non-recourse basis by EBRD (USD 100 million) and US Overseas Private Investment Corporation (OPIC) (USD 170 million).⁸
5. The IPP4 power plant was initially structured to meet Jordanian and World Bank/International Finance Corporation (IFC) requirements, rather than EBRD requirements. An ESIA report, which was prepared before EBRD was approached for financing, was disclosed on 6 June 2012 by the Project Company and OPIC.⁹ The Bank

³ AES Levant Holding BV Jordan PSC, IPP4 Al-Manakher Power Project, Environmental Statement, Parsons Brinckerhoff in association with Royal Scientific Society, May 2012, Non-Technical Summary, Overview, page 5.

⁴ The term “Project” as used in this Report refers to the “Bank-financed activity for which a Project Summary Document is prepared....” (PCM RP Definitions and abbreviations).

⁵ Non-Technical Summary of IPP4 Al-Manakher Power Project, Jordan, August 2012, page 1. Available online at <http://www.ebrd.com/english/pages/project/eia/44284nts.pdf>.

⁶ Bank Management Response, 1 October 2015, Section 1.

⁷ *Ibid.*

⁸ Bank Management Response, Section 3.3.

⁹ *Ibid.*, Section 3.6.

disclosed the ESIA on 16 August 2012.¹⁰ The ESIA report¹¹ refers only to Jordanian and World Bank/IFC requirements, and not to EBRD requirements, which were considered later within the Bank's Environmental and Social Due Diligence (ESDD) process.

6. The Bank classified the Project as a Category A Project, and, together with OPIC, retained an Independent Engineer to undertake aspects of the ESDD process.¹² The Independent Engineer's subsequent report (which was addressed both to EBRD and to OPIC) considered both the IPP4 project and an adjacent project, IPP1, in which the EBRD has no financial interest.¹³
7. The ESDD "confirmed that the [IPP4] Project Company has the institutional capacity to fully implement the Bank's PRs [Performance Requirements]. However, the ESDD identified a number of gaps in the existing documentation in terms of the Bank's PRs."¹⁴ The Project Company prepared additional documents to address these gaps – "including" a non-technical summary (NTS) and a Stakeholder Engagement Plan (SEP). The Environmental and Social Management and Monitoring Plan (ESMMP) was updated with the aim of complying with the Bank's PRs.¹⁵ This document fulfils the functions, in the case of the IPP4 Project, of the Environmental and Social Action Plan referred to in the Bank's 2008 Environmental and Social Policy.¹⁶ It also contains monitoring measures to fulfil the monitoring requirements of the 2008 Environmental and Social Policy. The document notes that "[i]t is considered that so long as the plant implements the mitigation and monitoring measures outlined in the EMMP the project will comply fully with all relevant Jordanian Standards, Laws and Regulations as well as the applicable requirements of the World Bank/IFC and the EBRD as presented in this EMMP."¹⁷
8. EBRD's Board of Directors approved EBRD's finance on 3 October 2012.¹⁸ Financial close was achieved at the end of January 2013. Construction began later in 2013, and the power plant began commercial operations in July 2014.¹⁹
9. Initial inquiries by the PCM and subsequent clarifications by EASEP led to submission by EASEP (as the Complainants' representative) to PCM of a list of 91 individual complainants. They include the Chairman of EASEP as well as 90 others (who together with EASEP are the "Complainants"). The 91 individuals are either residents of, or landowners or farmers in, one or more of seven villages from the area surrounding the IPP4 power plant, and seven out of the eight named in the Complaint. The Eligibility

¹⁰ *Ibid.*

¹¹ AES Levant Holding BV Jordan PSC, IPP4 Al-Manakher Power Project, Environmental Statement, Parsons Brinckerhoff in association with Royal Scientific Society, May 2012.

¹² Bank Management Response, Section 2.

¹³ *Ibid.*, Section 3.1.

¹⁴ *Ibid.*, Section 3.6.

¹⁵ *Ibid.*

¹⁶ Environmental and Social Policy, EBRD, May 2008. Available online at <http://www.ebrd.com/downloads/research/policies/2008policy.pdf>.

¹⁷ IPP4 Al-Manakher Power Project - Environmental and Social Mitigation and Monitoring Programme AES Levant Holding B.V Jordan PSC, Parsons Brinckerhoff with Royal Scientific Society, July 2012, Executive Summary. Available online at <http://www.ebrd.com/english/pages/project/eia/44284mmp.pdf>.

¹⁸ Bank Management Response, Section 1.

¹⁹ *Ibid.*, Section 3.3.

Assessors understand from their subsequent enquiries that many of the Complainants (though not all) are also members of EASEP.

10. The Complaint was registered by the PCM Officer on 11 August 2015 pursuant to PCM Rules of Procedure (PCM RPs) 11-13, and was subsequently uploaded to the PCM website, pursuant to PCM RP 20. PCM Expert Halina Ward was appointed as an Eligibility Assessor to conduct the Eligibility Assessment jointly with the PCM Officer in accordance with PCM RP 22.

II. STEPS TAKEN IN THE ELIGIBILITY ASSESSMENT

11. In conducting this Eligibility Assessment, the Eligibility Assessors have reviewed the following documents relating to the Complaint:
 - The Bank's initial response of 1 June 2015 to issues raised in a message sent by EASEP's Chairman to the PCM email account on 1 May 2015
 - The Complaint dated 2 August 2015 and submitted to the PCM by EASEP, its Chairman, and all members of the EASEP²⁰
 - The response of the Client to the Complaint, dated 22 September 2015
 - The Bank Management Response to the Complaint, dated 1 October 2015
 - Correspondence between EASEP's Chairman and the Client, and between EASEP's Chairman and the Bank, and the Bank's internal records of an initial meeting with EASEP in July 2015.
12. In addition, the Eligibility Assessors have reviewed the following Project-related documents insofar as they contain information relevant to the Eligibility Assessment:
 - The final ESIA report in respect of the IPP4 Project. This takes the form of an Environmental Statement prepared by Parsons Brinckerhoff in association with the Royal Scientific Society, dated May 2012²¹
 - The Stakeholder Engagement Plan (SEP), dated November 2012,²² which was designed "with the aim of explaining how the Company will communicate with people and institutions that may be affected by, or interested in, the IPP4 power plant through the remainder of the planning process, during construction, and throughout operation"²³
 - The ESMMP, which takes the form of a document titled "Environmental Mitigation and Management Plan"²⁴
 - The NTS of the ESIA, dated August 2012²⁵
 - The Project Summary Document²⁶

²⁰ Complaint 2015/02, available via the PCM Register at <http://www.ebrd.com/work-with-us/project-finance/project-complaint-mechanism/pcm-register.html>.

²¹ AES Levant Holding BV Jordan PSC, IPP4 Al-Manakher Power Project, Environmental Statement, Parsons Brinckerhoff in association with Royal Scientific Society, May 2012.

²² AES Levant Holding BV Jordan PSC IPP4 Al-Manakher Power Plant, Stakeholder Engagement Plan, November 2012, available online at <http://www.ebrd.com/english/pages/project/eia/44284sep.pdf>.

²³ *Ibid*, at Section 1.2.

²⁴ IPP4 Al-Manakher Power Project - Environmental and Social Mitigation and Monitoring Programme AES Levant Holding B.V Jordan PSC, Parsons Brinckerhoff with Royal Scientific Society, July 2012. Available online at <http://www.ebrd.com/english/pages/project/eia/44284mmp.pdf>.

²⁵ AES Levant Holding B.V Jordan PSC, IPP4 Al-Manakher Power Project, Non-Technical Summary, August 2012. Available online at <http://www.ebrd.com/english/pages/project/eia/44284nts.pdf>.

- Documents relating to a derogation from PR 3 of the 2008 Environmental and Social Policy, pursuant to paragraph 30 of Part C of the Policy, in respect of certain provisions of the EU Industrial Emissions Directive since it was anticipated that “the Project would not fully meet the EU Industrial Emission Directive Emission Value Levels for NOx emissions by new plants constructed from 2012 onwards”^{27 28}
 - Various internal documents related to the Bank’s ESDD process
 - A report of the Lenders’ Engineer, dated December 2012, and which was commissioned in the course of Environmental and Social Due Diligence for the Bank and co-financer OPIC; together with the Engineer’s contract
 - Monitoring Report and Environmental Audit dated September 2015.
13. The Eligibility Assessors have not considered it necessary to consider the Bank’s investment agreements with the Client for the limited purposes of this Eligibility Assessment.
14. In the course of carrying out the Assessment, the Eligibility Assessors have communicated with the Bank, the Client, and the Complainants’ representative via telephone and email. They have also held face to face meetings with representatives of the Client and Bank staff.

III. SUMMARY OF THE RELEVANT PARTIES’ POSITIONS

15. Both the Complaint and the Bank Management and Client Responses to it, are wide-ranging. The matters raised address community consultation and communication; grievance mechanisms; testing and monitoring systems; management and disposal of waste and hazardous substances; employment and contracting opportunities; noise and physical damage to property; community development initiatives and corporate social responsibility; emergency planning and preparedness; resettlement; and indigenous peoples.

Position of the Complainants

16. The Complaint (attached as Annex 1 to this Report) alleges multiple violations of social and environmental standards by the Client. These are expressed in terms of IFC performance standards, which are not applicable to an EBRD Project. However, the substance of the Complaint may be understood to concern the 2008 Environmental and Social Policy and its Performance Requirements, both in relation to the Bank’s and the Client’s obligations.
17. It is beyond the scope of the present Report to repeat the full Complaint in detail. For the purposes of Compliance Review, the full text of the Complaint will remain the authoritative reference point for Review. The Complaint is a detailed document which includes a number of general denunciations, some specific allegations, and a number of recommendations for the Bank’s Client.

²⁶ IPP4 Al-Manakher Power Project, Project Summary Document, 25 August 2012. Available online at <http://www.ebrd.com/work-with-us/projects/psd/ipp4-al-manakher-power-project.html>.

²⁷ *Ibid.*

²⁸ The derogation was disclosed in the Project Summary Document.

18. For the purposes of overview and to facilitate comparison across the positions of the Relevant Parties, the Complaint alleges in summary that:

- Affected communities were not adequately engaged in and/or consulted on the ESIA²⁹
- Directly affected communities include Khashafiat Aldabaibah, Khashafiat Alshawabkhah, Albaida, Almadounah, Alalia, Alabdalia and Abu Alandah, in addition to Al Manakher
- Current arrangements for community representation are defective, and not fully independent of the Client and/or local governors
- The Client's community liaison officers are not drawn from local affected communities
- Grievance mechanisms have not been put in place by the Client and/or are defective and/or not independent, and do not enable complainants to have recourse to external experts or neutral parties
- The Client does not report to local affected communities on issues relating to consultation and grievances
- The flow of information to, and engagement with, affected communities on environment, social, and health and safety issues, performance, and test results is inadequate and Complainants have not heard of any periodic environmental, social and/or health and safety reports to local communities. The SEP is inadequate
- The ESMMP is not being properly implemented
- Monitoring and testing in relation to both point source (stack/effluent) and ambient emission values is inadequate in relation to frequency, methods, and parameters tested, and has not involved the community nor provided opportunities for the community to be trained to participate in monitoring activities
- Monitoring and/or verification of monitoring data is not being carried out by independent third parties and/or experts
- Air quality and effluent monitoring and testing are inadequate and no odour monitoring is carried out
- Fuel tests are not based on continuous testing, and test reports and information about who performed the tests have not been disclosed to local communities
- Procedures and commitments in relation to employment and training or contracting of people from affected communities are defective and/or inadequately followed
- Development benefits or opportunities of the project are not experienced by local affected communities, and the Client does not provide meaningful ("real") support for community development in affected local communities
- Community members have not been provided with information about IPP4's emergency preparedness and response system and have not heard about emergency response drills
- Procedures and requirements applicable to Indigenous Peoples have not been followed
- Involuntary resettlement procedures were not followed.

19. In addition, the Complaint alleges specifically that:

- The sulphur content of fuel used at IPP4 exceeds 6%

²⁹ Complaint, Section 1.

- Hazardous and contaminated wastes and sludges are being disposed of by IPP4 on nearby agricultural lands or non-hazardous waste landfills, and contaminated oil is being sold to local contractors
 - No “legitimate” hazardous waste contractors are used by the Client
 - The only ambient air quality monitoring station in Sahab is not in the area affected by IPP4
 - No organization in Jordan is accredited to carry out continuous air pollution monitoring of a kind appropriate for the IPP4 plant
 - Nearby houses suffer from cracks and people suffer disturbance and discomfort
 - The Client does not permit people from local communities to be employed in its core workforce and requires subcontractors not to employ candidates from local affected communities
 - Senior project engineers rule out contractors from local affected communities and the Client fails to announce tenders in public in a transparent way.
20. The Complaint also raises a number of questions about other areas of the Client’s environmental and social performance, though without detailing any alleged shortcomings. These include the following:
- “Does this mean that if NEPCO delivers fuel which doesn't comply with the required local & /or IFC standards whichever more stringent, that the client will use this fuel regardless of its compliance & the blame will be on NEPCO.”
 - “Did the client install FGD to reduce the level of SO₂ emissions or did they use HFO or DFO with sulfur content that complies with IFC standards??? Did the client install Fabric Filters/ESPs to reduce level of PM emissions or did they use HFO or DFO with Ash & carbon content that complies with IFC standards???”
 - “Use of PCB (Polychlorinated biphenyl), Ammonia (NH₃), Hydrazine (N₂H₄) & Adenosine Tri-Phosphate (ATP)... Client's ESIA 4.1.27 states that In addition to the oil storage, storage facilities will also be provided for the small quantities of chemicals (including sodium phosphate, hydrazine, ammonia/urea and others) used in boiler water dosing. All such chemicals will be retained in suitable containment areas.”
 - “Client's ESIA 6.4.30 states that Transformers are sealed units, with negligible leakages. The transformer oils will not contain polychlorinated biphenyls (PCBs).”
 - “Is the real height of IPP 4 stacks 70 or 50m???”
 - “Who is the licensed hazardous waste disposal company that IPP4 use & where are the manifests of disposed hazardous waste including solid and/or sludge and/or contaminated waste water???”
21. The Complaint also includes a number of recitals of and/or extracts from IFC performance standards and the Project ESIA that are not explicitly linked to specific acts or omissions on the part of the Client or of the Bank. These include references to the use of stabilization clauses in agreements with host governments and to business and human rights;³⁰ and a reference to statements made in the ESIA in relation to the objective of socio-economic impact assessment and to cooperation with the Vocational Training Centre in the Amman Governate in respect of training for local people.³¹

³⁰ Complaint, Section 23.

³¹ Complaint, Section 19.

Position of EBRD Management

22. A formal written response to the Complaint was provided on 1 October 2015 pursuant to PCM RP 19 (attached as Annex 2). Such “Bank Management Response” is framed with reference to the 2008 Environmental and Social Policy.
23. In addition to background information about the Project and the ESDD process followed by the Bank, the Bank Management Response follows the structure of the Complaint and orders issues raised in the Complaint in 23 separate areas. Re-ordering these for ease of comparison, core elements of the Response can be summarised as follows. As with the text of the Complaint itself, it is the full text of the Response that must provide the definitive reference point for purposes of Compliance Review.
24. ***Community involvement in the ESIA.*** The Bank Management Response notes that the SEP identifies residents of Al Manakher village as closest to, and potentially “directly affected by” the Project. A map provided in the Response places six of the remaining seven settlements named in the Complaint as between 3.4km and 10.7km from the power plant site. The Response notes that for purposes of the SEP, residents of these villages are treated as “stakeholders” who are “unlikely to be directly affected” by the power plant.³²
25. The Bank Management Response describes meetings and information disclosure to Al Manakher and other villages prior to IPP4’s construction. These included a “scoping consultation” in July 2010 (held at a hotel in Amman)³³ which was not attended by villagers from Al Manakher, and a public consultation in Al Manakher village in August 2011. This was followed by house-to-house meetings in Al Manakher, and subsequently a follow up meeting also in Al Manakher in May 2012. As described in the Response, the other villages named in the Complaint were not directly invited, but could have seen announcements about these consultations “in the local press.”³⁴
26. ***Ongoing community involvement, information, and grievance mechanisms.*** Two committees have been established through a process “led by the villagers”³⁵ to “represent Al Manakher villagers and facilitate communication between the community and the [Client].”³⁶ The grievance mechanism established by the Client, and Client (i.e. Project Company) representatives whose details are provided in the SEP, provide for capturing “the views of the wider community, or if stakeholder prefer, concerns, questions or comments about the plant.”³⁷ Any grievance, including human rights concerns, may be raised, the Response notes.³⁸ The Response describes four avenues for people to direct concerns via the grievance mechanism. These are, through the Governor of Sahab; through Al Manakher’s two village committees; through direct communication with the Client through a box at the main gate of the plant, or by

³² Bank Management Response, Section 4 Box 1.

³³ According to SEP Section 4.1. AES Levant Holding BV Jordan PSC IPP4 Al-Manaker Power Plant, Stakeholder Engagement Plan, November 2012, Section 4.1. Available online at <http://www.ebrd.com/english/pages/project/eia/44284sep.pdf>.

³⁴ *Ibid*, Section 4 Box 5.

³⁵ *Ibid*.

³⁶ Bank Management Response, Section 4 Box 1.

³⁷ *Ibid*.

³⁸ Bank Management Response, Section 4 Box 2.

telephone with “the contact number also published at the main gate and on the web.”³⁹ The Company has appointed liaison officers (one male, and one female) whose details are contained “in the grievance mechanism”⁴⁰ and published on the notice board at the school in Al Manakher. The Response also states that the Client is considering ways to improve communication with Al Manakher and “other nearby villages.”⁴¹

27. The Client is required to deliver an annual environmental and social report starting in June 2016, to include a summary of stakeholder engagement activities and grievances. The Bank’s monitoring of the grievance mechanism additionally includes meetings with the Client and, on two occasions (in 2012 and June 2015), face-to-face meetings with Al Manakher representatives.⁴²
28. The Bank Management Response states that quarterly reports on environmental, social, health and safety issues are provided quarterly to the Governor of Sahab (where they are available “to the community on request”⁴³ and, since March 2015, posted on a dedicated notice board outside Al Manakher School. During the Bank’s June 2015 visit “it was identified” that these reports should be expanded to include updates on stakeholder engagement and the grievance mechanism.⁴⁴ The lenders “are in discussion with the [Client] regarding methods for improving the way in which environmental and social activities are communicated to the local communities as well as including information about stakeholder engagement activities and grievances.”⁴⁵
29. ***Monitoring and auditing processes and reporting.*** The Bank Management Response summarises auditing processes in relation to the Client’s operational, environmental and social performance, including auditors appointed by the Client; a planned comprehensive environmental and social audit planned for 2017; quarterly review of operations by the Lenders’ Independent Engineer (and a detailed third party audit carried out by the Lenders’ Engineer during July-August 2015); and inspections carried out by the Ministry of Environment. The Response states that community observation of technical audits “is not usually appropriate” for health and safety reasons,⁴⁶ and that for safety reasons “only licensed contractors are able to be involved in witnesses or participating in testing.” Site tours for community members have been restricted to non-sensitive parts of the site.⁴⁷ According to the Response, monitoring and testing information (including from the Lenders’ Independent Auditor) shows that the Client is operating in accordance with agreed requirements, including in relation to emissions and air quality limits applicable to the plant.⁴⁸
30. In relation to the sulphur content of Heavy Fuel Oil, the fuel supplier [NEPCO] must certify the sulphur content of deliveries as below 1% by weight. The Client then carries

³⁹ *Ibid.*

⁴⁰ In practice, Section 5.1 of the SEP. AES Levant Holding BV Jordan PSC IPP4 Al-Manaker Power Plant, Stakeholder Engagement Plan, November 2012, Section 5.1. Available online at <http://www.ebrd.com/english/pages/project/eia/44284sep.pdf>

⁴¹ Bank Management Response, Section 4 Box 1.

⁴² Bank Management Response, Section 4 Box 2.

⁴³ Bank Management Response, Section 4 Box 5.

⁴⁴ Bank Management Response, Section 4 Box 3.

⁴⁵ Bank Management Response, Section 4 Box 5.

⁴⁶ Bank Management Response, Section 4 Box 3.

⁴⁷ *Ibid.*

⁴⁸ *Ibid.*

out analysis of samples from fuel storage tanks on a monthly basis through a laboratory in Singapore. This is supplemented with “periodic” sampling and testing of samples from individual tanker deliveries.⁴⁹ The Bank Management Response notes that the Client “is able to refuse delivery of fuel if it does not meet these minimum quality specifications.”⁵⁰ The Response states that samples from May-June 2015 confirmed sulphur content of less than 1%, and that ash content in May-June 2015 was within parameters set in the ESIA.⁵¹ CO₂ emissions are calculated and reported annually based on the type of fuel used and the technology employed.⁵²

31. Client testing and monitoring commitments are set out in the ESMMP. The Bank Management Response states that “emissions from the plant stack are monitored continuously, [using a Continuous Emissions Monitoring System, or CEMS] as is ambient air quality.”⁵³ Stack emissions monitoring equipment is operated by the Client, with automated measurement. Confirmation of adherence to the approved emissions monitoring plan has been provided to the Bank via the Independent Engineer⁵⁴ who, at the time of the Response, is undertaking a detailed audit of the procedures and results of the continuous monitoring programme.⁵⁵ The Response states that the CEMS measurements demonstrate compliance with the ESIA and ESMMP.⁵⁶
32. Ambient air quality (NO_x SO_x and PM₁₀) is monitored “continuously at a permanent air monitoring station at the boundary of the plant.”⁵⁷ For the Bank, results are reviewed by the Independent Engineer⁵⁸ and the lenders’ environmental specialists⁵⁹ on a quarterly basis. Jordanian PM₁₀ values have been exceeded on three occasions (described as “one-off”) since July 2014, though averages have been within applicable standards.⁶⁰
33. The Response states that a mobile air quality monitoring unit was set up for six months, in accordance with the air quality monitoring plan, at a location where highest pollution concentration had been modelled during ESIA work.⁶¹ The Client’s Q2 operating report to the Bank states that readings from this station are less than those from the existing permanent unit, and within hourly and daily limits required by Jordanian standards.⁶²
34. The Bank Management Response states that the Bank is advised by its own independent consultants and internal specialists,⁶³ and does not rely for its analysis on the results of air monitoring undertaken by the Jordanian Ministry of Environment.⁶⁴ The Response additionally provides information on the automation and calibration of

⁴⁹ Bank Management Response, Section 4 Box 4.

⁵⁰ Bank Management Response, Section 4 Box 6.

⁵¹ Bank Management Response, Section 4 Box 4.

⁵² *Ibid.*

⁵³ *Ibid.*

⁵⁴ *Ibid.*

⁵⁵ Bank Management Response, Section 4, Box 8.

⁵⁶ *Ibid.*

⁵⁷ Bank Management Response, Section 4, Box 4.

⁵⁸ Bank Management Response, Section 4, Boxes 4 and 7.

⁵⁹ Bank Management Response, Section 4, Box 7.

⁶⁰ Bank Management Response, Section 4, Box 4.

⁶¹ Bank Management Response, Section 4, Boxes 4, 7.

⁶² Bank Management Response, Section 4, Box 4.

⁶³ *Ibid.*

⁶⁴ Bank Management Response, Section 4, Boxes 4, 7, 9.

air quality monitoring equipment and states that arrangements in place for testing the equipment are sufficient to meet the requirements of the ESMMP.⁶⁵

35. **Waste.** In relation to waste issues raised in the Complaint, the Bank Management Response states that the operation of the Client's waste management procedures has been inspected by its Independent Engineers. The Bank states that all waste disposals are made through approved contractors and quantities and contracts are recorded by the Client. The Response does not indicate that it has information to believe that there have been instances of non-compliance in this respect.⁶⁶
36. **Effluent monitoring:** The Bank's Independent Engineer is, at the time of the Bank Management Response, auditing the Client's waste disposal activities. The ESIA and ESMMP describe the waste management strategy, which commits the Client to using licensed waste disposal companies. The Response states that the plant is "zero effluent" and all effluent remains on-site and is dealt with in an evaporation pond, which has been physically inspected by the lenders and their Independent Engineer.⁶⁷
37. **Sludge and contaminated oil.** Ministry of Environment-licensed contractors take sludge oil and used lube oil from the site, and the Response says that the Client maintains a list of these contractors as well as disposal quantities and contracts. The Response states that the Client has confirmed that it is not aware of contaminated materials being spread on agricultural land, and requests more detailed information from the Complainants if there are specific allegations.⁶⁸
38. **Use of hazardous materials.** The Response responds to the Complaint's questions about use of hazardous materials at the site. Of those listed in the Complaint, it states that only aqueous ammonia is used.⁶⁹
39. **Noise and cracks.** The Bank Management Response describes a number of noise control and minimization measures implemented in the development phase of IPP4.⁷⁰ Noise monitoring is now undertaken by the Client at the plant boundary, where the Response says that plant noise is within limits set by Jordanian law and the World Bank. An unattended noise monitoring station is also in place at the school. The Bank and its independent engineer are, at the time of the Response's submission, analysing the monitoring programme. Recording equipment is calibrated by the "Owner's Engineer"⁷¹ and calibration certificates provided to both the Bank and the Independent Engineer.⁷²
40. Complaints "from villagers" have been received about cracks appearing in houses. "[T]he community has a written undertaking from the [Client] that it will contribute to fixing the cracks."⁷³ However the request is pending "an independent survey of the

⁶⁵ Bank Management Response, Section 4, Boxes 7, 9.

⁶⁶ Bank Management Response, Section 4, Box 4.

⁶⁷ Bank Management Response, Section 4, Box 11.

⁶⁸ Bank Management Response, Section 4, Box 4.

⁶⁹ Bank Management Response, Section 4, Box 18.

⁷⁰ Bank Management Response, Section 4, Box 10.

⁷¹ Bank Management Response, Section 4, Box 10.

⁷² *Ibid.*

⁷³ *Ibid.*

houses impacted to be carried out by the Ministry of Public Works and Housing.”⁷⁴ No work will be carried out by the Client until this survey has been carried out.⁷⁵

41. ***Odour monitoring.*** The Client does not formally test odour, but “monitors it operationally” and documents any significant odour events. The Client reports that it has not received any complaints regarding odour from the community or people working inside the plant. The Response reports on monitoring of the evaporation pond “which can be a potential source of bad odour.”⁷⁶
42. ***Employment, training and contractor policies.*** The Bank Management Response states that the Client employs two individuals from Al Manakher in permanent full time positions, with employment on an occasional basis for 30-40 unskilled labourers.⁷⁷ The Response asserts that “these opportunities are publicly advertised in print media” available to Al Manakher and surrounding communities.⁷⁸ The Client “operates a roster to ensure fair allocation of jobs in case supply of labour exceeds demand.”⁷⁹ The Response further notes that “contractors have specifically been told by the [Client] to try to hire local people for jobs”⁸⁰ (the Client’s security contractor is specifically mentioned⁸¹); and that the Client “uses many people from the Sahab Governate for its workforce.”⁸² The IPP4 plant offers two scholarships a year to support members of the local community through university. Two trainees from the Sahab area have received training under a training programme set up by the Client with the Jordan Engineers Association during 2014 and 2015.⁸³
43. ***Social responsibility.*** The Response outlines the Client’s social responsibility programme and notes the Client’s policy “of not providing direct financial contributions to local communities.”⁸⁴
44. ***Plant emergency and preparedness and response.*** IPP4 has an emergency response plan. “[R]egular drills are carried out with participation by local responders.”⁸⁵ The Response states that “the village chief of Al Manakher” was invited to witness the last full scale emergency drill, in February 2015. During the site visit in June 2015, “it was highlighted [presumably, though this is not explicitly clear, by the Bank] that emergency drills should involve greater participation from the local community, in addition to the village chief.”⁸⁶ The Bank has provided recommendations to the Client – including that it consider ways “of involving more members of Al Manakher village in the drills, taking into account necessary safety and security concerns.”⁸⁷

⁷⁴ *Ibid.*

⁷⁵ *Ibid.*

⁷⁶ Bank Management Response, Section 4, Box 15.

⁷⁷ Bank Management Response, Section 4, Box 5.

⁷⁸ *Ibid.*

⁷⁹ Bank Management Response, Section 4, Box 20.

⁸⁰ Bank Management Response, Section 4, Box 19.

⁸¹ Bank Management Response, Section 4, Box 20.

⁸² Bank Management Response, Section 4, Box 19.

⁸³ *Ibid.*

⁸⁴ Bank Management Response, Section 4, Box 21.

⁸⁵ Bank Management Response, Section 4, Box 16.

⁸⁶ *Ibid.*

⁸⁷ *Ibid.*

45. ***Indigenous Peoples and Resettlement.*** The Bank Management Response asserts that the characteristics of “Indigenous Peoples” for the purposes of relevant provisions of the 2008 Environmental and Social Policy are not met by the inhabitants of villages near the power plant. In relation to resettlement, the Response says that the power plant development did not entail any resettlement since the government was already the landowner of the site, which was unoccupied and unused. In consequence of these two assertions, the Response asserts that requirements on Free, Prior and Informed Consent are not applicable.⁸⁸

Position of the Client

46. The response of the Client regarding the Complaint⁸⁹ (attached as Annex 3) has 48 separate sections of boxed text. For ease of reference, key points are summarised below, without seeking to diminish the relevance of the full text.
47. ***Community involvement, reporting, and grievance procedures.*** The Client Response outlines scoping sessions and subsequent community consultation during the ESIA and, following financial closure, in accordance with the SEP. At the project planning stage, villages other than Al Manakher were not “directly” invited to public consultation sessions following an initial scoping session at the Holiday Inn “because they are deemed to be remote and not affected by the project.”⁹⁰ As outlined in the SEP, and confirmed in the Client Response: “Residents of Al Manakher are Closest community to the project and will potentially be directly affected by the project while Residents of Sahab and other communities in the immediate vicinity of the project are Unlikely to be directly affected.”⁹¹
48. The Response notes that “[i]nteraction between the local community and AES is an ongoing process, all interactions are under the local governor supervision and advice, and none of the local community is appointed or selected by the government authorities.”⁹²
49. The grievance mechanism “allows people to direct concerns through the Governor of Sahab of through the Al Manakher village committee.”⁹³ A suggestion box/register and contact phone numbers are available at the main gate of the plant “and communicated verbally to all villagers through the village committees and during the scoping session.”⁹⁴ The Client Response asserts the Client’s belief that recourse to external experts is “not applicable” as “project company has engaged [with] all complain[t]s and answered all the concerns.”⁹⁵
50. Two community committees exist, with representatives selected by Al Manakher villagers. The Client says that “no complain on these two committees was noticed Through Frequent communication with individuals from the village and local

⁸⁸ Bank Management Response, Section 4, Box 17.

⁸⁹ “Client Response”, 22 September 2015.

⁹⁰ Client Response, Box 1.

⁹¹ Client Response, Box 2.

⁹² *Ibid.*

⁹³ *Ibid.*

⁹⁴ *Ibid.*

⁹⁵ Client Response, Box 18.

authorities” [sic].⁹⁶ The Response notes that Table 3 of the SEP contains a list of the various stakeholder engagement activities undertaken,⁹⁷ and that communication with local communities is additionally “through the local governor.”⁹⁸

51. Quarterly Health, Safety and Environment reports in Arabic are provided to the Governor of Sahab.⁹⁹ Since March 2015 they have also been posted on the notice board outside Al Manakher school. The Client Response notes that “for safety reasons, only licensed contractors are able to be involved in witnessing or participating in the testing on the site.”¹⁰⁰
52. ***Emissions monitoring and testing and waste disposal.*** The Client Response notes that the ESIA and ESMMP describe measures to control emissions. Stack emissions are monitored continuously for SO₂, NO_x, CO and PM/TSP using CEMS. CO₂ emissions are calculated and reported annually. The Client Response confirms that the stack height is 70m.¹⁰¹ Results of monitoring are reviewed by the lenders and their Independent Engineer. Ambient air quality is measured via a permanent on-site ambient air monitoring station (the location of which is not specified), which monitors NO_x, SO₂ and PM10. An independent third party carries out annual ambient air testing, with the last such test in Q3 2014. Additionally, the Client Response describes a commitment agreed with lenders at the time of approval of an Ambient Air Monitoring Plan to use a second mobile air quality station at one of the areas of predicted “maximum impact” for “the first six months” to determine correction between the permanent site and the area of maximum impact, with the continued requirement for monitoring at a second site assessed based on the performance of the results against a set of pre-agreed criteria. The Client Response states that results of this six month monitoring at a second location showed that ambient air conditions are better there than at the on-site monitoring station, and meet Jordanian standards. Based on these results, “second off-site monitoring station will not be installed.”¹⁰²
53. Fuel oil is tested on a monthly basis¹⁰³ by DNV – Dubai¹⁰⁴ and “all fuel supplied to date [by NEPCO] has been in compliance with relevant requirements” with Sulphur of less than 1%.¹⁰⁵ Independent verification of data “is done as needed.”¹⁰⁶ The Client Response lists the external parties performing external “comprehensive audits and tests.”¹⁰⁷
54. The Client Response explains why there is no need to install FGD or fabric filters/ESPs¹⁰⁸ in response to questions in this regard in the Complaint.

⁹⁶ Client Response, Box 4.

⁹⁷ Client Response, Box 5.

⁹⁸ Client Response, Box 8.

⁹⁹ Client Response, Box 10

¹⁰⁰ *Ibid.*

¹⁰¹ Client Response, Box 11.

¹⁰² *Ibid.*

¹⁰³ Client Response, Box 10.

¹⁰⁴ Client Response, Box 11.

¹⁰⁵ *Ibid.*

¹⁰⁶ Client Response, Box 10.

¹⁰⁷ Client Response, Box 14.

¹⁰⁸ Client Response, Box 34.

55. AES records disposal quantities and contracts for dealing with sludge oil and used lube oil,¹⁰⁹ with contractors approved by the Ministry of Environment.¹¹⁰ The Client Response states that “no disposal happened to nearby lands.”¹¹¹ Sewage is removed by Amman Municipality trucks.¹¹² Hazardous waste is stored in a designated hazardous waste storage facility and disposed of through approved contractors¹¹³ who “has record that all waste are disposed properly at designated place...”¹¹⁴
56. ***Use of hazardous substances.*** The Client Response states that “no PCB or any similar material is used at site.”¹¹⁵
57. ***Noise.*** The Client Response describes noise control and minimization measures implemented in the development phase of IPP4, as well as noise monitoring undertaken by the Client at the plant boundary (with quarterly measurement via an independent third party).¹¹⁶ Additionally, UK firm Parsons Brinckerhoff “recently” set up unattended noise monitoring equipment for a two month period both at Al Manakher school and at the closest house to the IPP4 boundary; some 30m away from the boundary.¹¹⁷ Results of noise monitoring (which the Client Response states have all been in compliance with World Bank/IFC and Jordanian limits) are monitored by the lenders and communicated as part of the quarterly reports to villagers, Ministry of Environment and the Sahab governor. The qualifications of the Parsons Brinckerhoff Engineer undertaking the study are outlined.¹¹⁸
58. ***Odour monitoring.*** The Client Response confirms that odour is not monitored, and that there has not been complaint from the community or from people working inside the plant. BOD and COD levels in an evaporation pond which could be a potential source of bad odour are monitored.¹¹⁹
59. ***Local employment, training and contracting.*** The Client Response states that one engineer and one technical “from the local area” work at IPP4 full time, with around 40 other “local workers” working at the site on an *ad hoc* basis.¹²⁰ The Response states that “[f]or non-skilled labour the companies exclusively use local labour.”¹²¹ Engineering positions are advertised in Jordanian newspapers and the company “would particularly encourage applications from local communities.”¹²² Contracts are awarded competitively, and the Client states that “we normally provide priority to Jordanian companies when they have the qualification skills.”¹²³

¹⁰⁹ Client Response, Box 10.

¹¹⁰ Client Response, Box 31.

¹¹¹ *Ibid.*

¹¹² Client Response, Boxes 10, 12.

¹¹³ Client Response, Box 10.

¹¹⁴ Client Response, Box 12.

¹¹⁵ Client Response, Box 38.

¹¹⁶ Client Response, Box 10.

¹¹⁷ *Ibid.*

¹¹⁸ *Ibid.*

¹¹⁹ Client Response, Box 34.

¹²⁰ Client Response, Box 39.

¹²¹ *Ibid.*

¹²² *Ibid.*

¹²³ Client Response, Box 40.

60. ***Social responsibility programme.*** The Client Response states that AES has “a social responsibility programme and has implemented numerous projects like solar heater installation, solar PV module installation, supplying blankets heating devices and gas cylinders to Al Manakher village, supplying furniture, to the mosque scholarships for students, repair and extension in the village school, distributing food boxes and wheel chairs in the holy month of Ramadan and a free medical camp.”¹²⁴
61. ***Plant emergency preparedness and response:*** The Client states that it has appropriate emergency response plans that are regularly tested. Drills “are carried out with participation by local responders”¹²⁵ and the village chief of Al Manakher, nearby police station and Sahab Governor were invited to witness and understand the risk and response at the last full scale emergency drill which was carried out on 11 February 2015.¹²⁶ The Client states that “[i]f there is interest in the response plans, more information will be provided to the community liaison committees to convey to the communities.”¹²⁷
62. ***Indigenous Peoples and resettlement.*** The Client Response notes that no Indigenous Peoples were identified as part of the ESIA and therefore requirements relating to Indigenous Peoples are not applicable. The land for the project site had been acquired by the government in 2006 prior to approval of IPP4, and was leased to IPP4 as clear and unoccupied.¹²⁸ The Client Response adds that AES Jordan is located on arid land which was not used by the local community.¹²⁹

IV. DETERMINATION OF ELIGIBILITY

Overview of Eligibility Requirements

63. The Eligibility Assessors have examined the requirements of PCM RPs 24b), 25 and 27 to determine if the Complaint is eligible for a Compliance Review, and the requirements of PCM RPs 24a), 25 and 26 to determine if the Complaint is eligible for a Problem-solving Initiative.
64. The Eligibility Assessors have also assessed the Complaint against the requirements of PCM RP 28, which sets out general criteria that disqualify a Complaint (whether for Problem-solving Initiative or for Compliance Review) from further review by the PCM. Additionally, the Eligibility Assessors have consulted with the Relevant Parties (specifically the Client, EASEP as the Complainants’ representative, and the Bank’s Environmental Sustainability Department and Operation Leader), and considered a number of key documents and the Bank Management Response and the Client Response to the Complaint, in accordance with PCM RP 29.
65. As required by PCM RP 24, the Eligibility Assessors do not judge the merits of the allegations contained in the Complaint and do not make a judgment regarding the truthfulness or correctness of the Complaint.

¹²⁴ Client Response, Box 7.

¹²⁵ Client Response, Box 36.

¹²⁶ *Ibid.*

¹²⁷ *Ibid.*

¹²⁸ Client Response, Box 6.

¹²⁹ Client Response, Box 39.

Compliance Review: General Eligibility Criteria

Criteria that the EBRD Management has agreed are satisfied for the purpose of this Eligibility Assessment

66. PCM RP 24 stipulates that the Bank may decide to agree that certain criteria are satisfied in order to expedite the determination of eligibility. PCM RP 24b) states that to be held eligible for a Compliance Review, the Complaint must be filed within 24 months after the date on which the Bank ceased to participate in the Project and must relate to a Relevant EBRD Policy.
67. The Eligibility Assessors note the information provided in the Bank Management Response to the PCM. They consider that PCM RP 24b) is satisfied in light of the acknowledgements that the Bank continues to participate in the Project and that a Relevant EBRD Policy applies, that is, the 2008 Environmental and Social Policy.

Compliance Review: Other Criteria

68. In the case of both a request for a Problem-solving Initiative and a Compliance Review, PCM RP 25 lists a number of kinds of information that should be included in the Complaint “if possible”. It is clear from the words “should” and “if possible” that a deficiency in the Complaint in relation to one or more of these kinds of information does not in and of itself prevent the Complaint from being eligible for Compliance Review and/or a Problem-solving Initiative. The Eligibility Assessors have assessed the Complaint further in relation to each kind of information in that list and have concluded that the Complaint is in substance aligned with the guidance of PCM RP 25. Further analysis in relation to each sub-paragraph of PCM RP 25 is provided below.

PCM RP 25a): PCM functions requested

69. In accordance with PCM RP 25a), the Complaint clearly states that the Complainants seek both a Problem-solving Initiative and a Compliance Review.

PCM RP 25b): Indication of the outcome(s) sought as a result of use of the PCM process.

70. The Complaint concludes with a statement of hoped-for results from submission of the Complaint to the PCM. These are in essence (substituting “EBRD performance requirements” for “IFC performance standards”) that the Client should implement the ESMMP throughout the Project’s operation phase so as to comply with EBRD Performance Requirements; that it should do so with the involvement of affected local communities; and that it should take [necessary] corrective measures to address environmental and social impacts.
71. The main body of the Complaint is written in terms of the acts or omissions of the Client. These are matters that could potentially be considered through a Problem-solving Initiative. A Compliance Review, however, focuses not on the Client but the Bank. It seeks “to determine whether or not the EBRD has complied with a Relevant EBRD Policy in respect of an approved Project.”¹³⁰ The Complaint does not contain specific complaints or associated recommendations about the *Bank’s* acts or omissions.

¹³⁰ PCM RPs 2014, Introduction.

However, it expresses, *inter alia*, the belief that “EBRD will assess and review our complaints”¹³¹ and that, in relation to results hoped for by submitting the Complaint to the PCM, the Client should implement the ESMMP.¹³²

72. The Eligibility Assessors’ exchanges with the Complainants’ representative do not give rise to the suggestion that the inclusion within the Complaint of a request for Compliance Review was frivolous or inadvertent. At the same time, the Complaint’s request for Compliance Review does not make sense in the absence of a complaint about the Bank’s acts or omissions.
73. In order to give meaning to the request for Compliance Review, and by direct derivation from the allegations within the Complaint, the language of the Complaint must (and can readily) be understood to infer, in general terms, that the Bank has failed, by act or omission, to meet its obligations under the 2008 Environmental and Social Policy. Further identification of those provisions of the 2008 Environmental and Social Policy which are relevant to the Complaint can be found below.
74. The conclusions of this analysis are reflected in Terms of Reference for the Compliance Review in below.

PCM RP 25c): Copies of correspondence

75. PCM RP 25c) states that the Complaint should include, if possible, copies of all correspondence, notes, or other materials related to previous communications with the Bank or other Relevant Parties. At registration stage, the Chairman of EASEP provided the office of the PCM with a copy of a letter written by him in his capacity as “Local Environmental Activist & Resident” and sent in September 2014 (prior to the creation of EASEP) to the Client and to the operator of the adjacent IPP1 power plant requesting a meeting to discuss “the negative impacts [of the two projects] & the proposed solutions.” Following subsequent inquiries by the office of the PCM during the course of the Eligibility Assessment, EASEP’s Chairman provided copies of further correspondence with the Client (through individuals employed by the Client), as well as correspondence apparently addressed to the Project Sponsors. The Eligibility Assessors have also reviewed, separately, correspondence between the Bank and EASEP’s Chairman, as well as an email sent to the PCM email address by EASEP on 1 May 2015.

PCM RP 25d): Details of the Relevant EBRD Policy at issue in the Complaint

76. The Complaint provides considerable detail in relation to the IFC performance standards which it alleges have been violated or in respect of which the Complaint raises questions. The IPP4 project has been structured to comply with World Bank and IFC performance standards, in addition to those of the EBRD, and many key documents, including the ESMMP and the ESIA, refer to these standards.
77. The Complaint refers to IFC performance standards rather than to EBRD Performance Requirements in the 2008 Environmental and Social Policy. IFC performance standards

¹³¹ Complaint, final page.

¹³² *Ibid.*

are not applicable to the EBRD, which must apply its own Policies and associated Performance Requirements. They are not “Relevant Policies” for purposes of the PCM RPs. At the same time, IFC performance standards are applicable to the project by virtue of the fact that it is co-financed by OPIC. As the Bank Management Response explains: “Since the Project is also financed by the US Overseas Private Investment Corporation (“OPIC”) as a parallel lender it is also structured to comply with World Bank/IFC (“WB/IFC”) Performance Standards (“PS”), World Bank Guidelines, OPIC’s Consolidated Environmental and Social Policy Statement and also with guidelines prescribed by Jordanian law.”¹³³

78. The Eligibility Assessors note that the PCM RPs do not require complainants to be familiar with Relevant Policies of the EBRD, nor to submit Complaints with reference to specific requirements or provisions of those Policies. The Assessors consider that the Complaint provides sufficient information, by cross-reference, to identify the relevant Performance Requirements and provisions of the 2008 Environmental and Social Policy. PCM RP 25d) does not give rise to concerns about the eligibility of the Complaint as a whole.
79. Neither the Bank Management Response nor the Client Response incorporates a full comparative analysis of relevant IFC and EBRD performance standards and requirements provisions respectively (nor must they do so).
80. The Eligibility Assessors are not tasked to carry out conclusive or detailed analysis of applicable provisions of relevant Policies. However, the Assessors must carry out sufficient analysis to meet the requirement to consider the matters specified by PCM RP 27. Since the conclusion of this Eligibility Assessment is that the present Complaint is eligible for Compliance Review, the Terms of Reference for the Compliance Review must also be provided, as required by PCM RP 32. This exercise also calls for a preliminary examination of Relevant EBRD Policies.
81. The Eligibility Assessors have carried out an initial analysis for these limited purposes and to provide context for understanding the Bank’s obligations.
82. The 2008 Environmental and Social Policy states that the Bank “will seek to ensure through its environmental and social appraisal and monitoring processes that the projects it finances [inter alia] respect the rights of affected workers and communities and are designed and operated in compliance with applicable regulatory and good international practice.”¹³⁴ It should be noted that this commitment relates not only to pre-project environmental and social appraisal, but also to monitoring processes. The Complaint clearly raises issues in relation both to environmental and social appraisal and to monitoring, and in relation both to the rights of affected communities and to good international practice.
83. The Performance Requirements (PRs) contained within the 2008 Environmental and Social Policy have been adopted in order to translate this objective into practical outcomes.¹³⁵

¹³³ Bank Management Response, Section 2.

¹³⁴ 2008 Environmental and Social Policy (2008 ESP), EBRD, May 2008, B.3.

¹³⁵ *Ibid.*

84. The Bank expects clients to assess and manage the environmental and social issues associated with their projects so that projects meet the PRs. The Bank's role is: "(i) to review the clients' assessment; (ii) to assist clients in developing appropriate or efficient measures to avoid, or where this is not possible, minimize, mitigate or offset, or compensate for adverse social and environmental impacts consistent with the PRs; (iii) help to identify opportunities for additional environmental or social benefits; and (iv) to monitor the projects' compliance with its environmental and social covenants as long as the Bank maintains a financial interest in the project." The Complaint raises issues that speak to each of these four Bank roles.¹³⁶
85. The Bank "expects clients to identify and interact with their stakeholders on an ongoing basis, and to engage with potentially affected communities through disclosure of information, consultation, and informed participation in a manner deemed by the Bank to be commensurate to the impacts associated with the project." Such interaction "should be consistent with the spirit, purpose and ultimate goals of the UN Economic Commission for Europe Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters [and the] EU Environmental Impact Assessment Directive."¹³⁷ Further, the EBRD "expects clients to identify and interact with their stakeholders on an ongoing basis, and to engage with potentially affected communities through disclosure of information, consultation, and informed participation in a manner deemed by the Bank to be commensurate to the impacts associated with the project."¹³⁸ The Complaint raises issues that invite analysis of whether the Bank's acts or omissions in relation to IPP4 reflect the expectations contained in these provisions.
86. Through its investments, EBRD "will actively seek...to contribute to the effective implementation of relevant principles and rules of international law related to environment, labour, corporate responsibility and public access to environmental information."¹³⁹ In addition, "Bank-financed projects are expected to meet good international practice related to sustainable development."¹⁴⁰ The 2008 Environmental and Social Policy explains that the PRs have been defined: "[t]o help clients and/or their projects achieve this."¹⁴¹ The Complaint contains allegations which raise issues about whether the Project meets "good international practice related to sustainable development" and, for purposes of Compliance Review, whether the Bank has met any obligations upon it that derive from this expectation.
87. When, as in the case of the IPP4 Project, EBRD co-finances projects with other international financial institutions (in this case OPIC), "the EBRD will cooperate with them to agree on a common approach to project appraisal, project requirements, and monitoring."¹⁴² The Bank Management Response to the Complaint explains that EBRD and OPIC worked together on the Environmental and Social Due Diligence, and that gaps in the ESIA from the perspective of EBRD's PRs were identified and addressed through preparation of a NTS, a SEP, and updates to an earlier ESMMP.

¹³⁶ *Ibid.*

¹³⁷ 2008 ESP, B.7.

¹³⁸ 2008 ESP, C.7.

¹³⁹ 2008 ESP, B.9.

¹⁴⁰ 2008 ESP, C.27.

¹⁴¹ *Ibid.*

¹⁴² 2008 ESP, C.10.

88. All EBRD-financed projects undergo environmental and social appraisal; in part to help the EBRD decide the ways in which environmental and social issues should be addressed.¹⁴³ The appraisal “will be appropriate to the nature and scale of the project, and commensurate with the level of environmental and social risks and impacts.”¹⁴⁴ It includes consideration of “i) the environmental and social impacts and issues associated with the proposed project; ii) the capacity and commitment of the client to address these impacts and issues in accordance with [the 2008 Environmental and Social Policy] and iii) the role of third parties in achieving compliance with [the Policy].”¹⁴⁵ The Complaint invites consideration of whether the Bank’s social and environmental appraisal addressed all three elements, and whether it was “appropriate” and “commensurate” in the ways set out in the Policy.
89. EBRD’s investment agreements with clients in respect of a project “will include specific provisions reflecting EBRD’s environmental, social and stakeholder engagement requirements. These include compliance with all applicable PRs...and the ESAP [Environment and Social Action Plan] (if any [for present purposes the ESMP]), as well as, for example, provisions for environmental and social reporting, ongoing stakeholder engagement, periodic audits by independent specialists...and/or monitoring visits by EBRD personnel or representatives, as appropriate.”¹⁴⁶ The Eligibility Assessors have not reviewed the Bank’s investment agreements with the Client for purposes of this Eligibility Assessment, but these documents will no doubt be considered relevant for the Compliance Review Expert in the context of Compliance Review.
90. Monitoring of environmental and social performance, which the Bank considers “essential”¹⁴⁷ serves three purposes under the 2008 Environmental and Social Policy: to ensure that applicable standards and environmental social components of clients’ legal agreements are met; to keep track of impacts and provide feedback on the effectiveness of mitigation measures; and to generate data that serve as indicators of “how the Bank’s investments are contributing to sustainable development at both the project and portfolio levels.”¹⁴⁸
91. Monitoring is carried out by both the client and the Bank.¹⁴⁹ The Bank “will define with the client a monitoring programme in accordance with PR 1...specifying the appropriate monitoring tools, based upon the results of due diligence, the results of any public consultation which has taken place and within the framework of legal agreements concluded with the client.”¹⁵⁰ The extent of the monitoring will be “commensurate with” “the project’s issues, impacts and compliance requirements, and with the ability of the client and/or local authorities to adequately monitor and manage these issues and impacts.”¹⁵¹ Further, “[i]n order to verify...adherence to agreed environmental and social covenants, the Bank will monitor projects on an ongoing basis

¹⁴³ 2008 ESP, C.14.

¹⁴⁴ *Ibid.*

¹⁴⁵ 2008 ESP, C.15.

¹⁴⁶ 2008 ESP, C.33.

¹⁴⁷ 2008 ESP, C.34.

¹⁴⁸ *Ibid.*

¹⁴⁹ 2008 ESP, C.35.

¹⁵⁰ *Ibid.*

¹⁵¹ *Ibid.*

as long as the Bank maintains a financial interest in the project, and share with the client the results of its monitoring.”¹⁵² If circumstances change, the Bank’s obligations in relation to monitoring of projects are to work with the client to devise a plan to address changes that could result in adverse social or environmental impacts. The Bank will also “review with the client any performance improvement opportunities related to projects.”¹⁵³ The Complaint raises multiple issues, in some detail, concerning the Client’s monitoring. These issues also raise questions, for purposes of Compliance Review, related to the Bank’s compliance with the monitoring provisions of the 2008 Environmental and Social Policy.

92. As a general matter, the 2008 Environmental and Social Policy states that the Bank “will require clients to structure Projects so that they meet all applicable PRs.”¹⁵⁴
93. The relevance of each PR to the Complaint is explored below. This commentary is not however intended to be exhaustive of relevant issues raised.
94. **Performance Requirement 1** concerns environmental and social appraisal and management. PR 1 states that the Bank “requires clients to develop a systematic approach, tailored to the nature of their activities or projects, to managing environmental and social risks and opportunities that will enable the client to comply with the Bank’s Environmental and Social Policy throughout the life of the Bank’s involvement with the project.”¹⁵⁵ The Bank and the client “will agree” on the areas of influence for each Project based on appraisal of environmental and social impacts and issues,¹⁵⁶ as well as on the nature of due diligence studies required.¹⁵⁷ Information gained from the client’s appraisal activities “will inform the EBRD’s own due diligence related to the client and project” and “will help to identify the applicable PRs and the appropriate measures to better manage risk and develop opportunities.”¹⁵⁸ Environmental and social issues and impacts “will also be analysed” for the relevant stages of the project cycle.¹⁵⁹ “Where relevant, the appraisal will also consider the role and capacity of third parties, such as local and national governments...to the extent that they may influence the project, recognising that the client’s ability to address these risks and impacts will depend on its control and influence over the third party actions.”¹⁶⁰
95. Category A projects, such as the IPP4 power plant, “will require special formalised and participatory assessment processes” which are described further in PR 1, and which are required to meet PR 10.¹⁶¹ Clients are also to “identify and engage with stakeholders in accordance with PR 10.”¹⁶²

¹⁵² 2008 ESP, C.36.

¹⁵³ 2008 ESP, C.37.

¹⁵⁴ 2008 ESP, C.28.

¹⁵⁵ PR 1.2.

¹⁵⁶ PR 1.6.

¹⁵⁷ PR 1.8.

¹⁵⁸ PR 1.5.

¹⁵⁹ PR 1.7.

¹⁶⁰ *Ibid.*

¹⁶¹ PR 1.9.

¹⁶² PR 1.13.

96. Clients are to develop and implement a programme of mitigation and performance improvement measures and actions that address social and environmental issues identified through environmental and social appraisal and as a result of consultation with affected stakeholders, and addressing all relevant stages of the project so that they operate in compliance with applicable laws and regulations and the PRs. The programme of measures and actions is to take the form of an Environmental and Social Action Plan.¹⁶³ In practice, in the IPP4 project, relevant commitments are found in the document referred to by the Bank as the ESMMP.
97. The level and detail and complexity of the Environmental and Social Action Plan, and the priority of the measures and actions identified are to reflect the project's risks, impacts and opportunities. PR 1 contains further requirements on the form and content of the document and the actions and commitments within it. Clients "will need to" establish and maintain an organisational structure and associated personnel responsibilities to implement the ESAP and its associated management system,¹⁶⁴ and "will establish" procedures to monitor and measure compliance with environmental and social covenants with the Bank. The extent of monitoring is to be "commensurate with the risks to and adverse impacts on the environment and affected communities."¹⁶⁵ The client "may use third parties, such as independent experts, local communities or NGOs" to complement or verify its own monitoring information. In the case of Category A projects such as IPP4, the client "will be required" to retain "qualified and experienced" specialists to perform periodic monitoring functions/audits throughout the life of the Bank's involvement with the project. Monitoring results must be documented by the client.¹⁶⁶
98. The frequency and extent of monitoring visits by the Bank's environmental or social specialists, or consultants acting on the Bank's behalf "will be commensurate with the project's environmental and social risks."¹⁶⁷
99. Stakeholder engagement during project implementation, including external reporting on progress with implementing the Environmental and Social Action Plan, is to be undertaken in accordance with PR10.¹⁶⁸ Additionally, PR 1 makes clear that the client has a responsibility "to ensure that contractors working on project sites" meet the requirements of the PRs, including PR 2 (considered further below).¹⁶⁹ The Complaint raises multiple issues for consideration in relation to PR 1 and the Bank's associated obligations to require the Client to structure the Project to meet these requirements¹⁷⁰ and to define a monitoring programme that is commensurate with "the project's issues, impacts and compliance requirements."¹⁷¹
100. **Performance Requirement 2** concerns Labour and Working Conditions. The Complaint raises issues concerning recruitment policies and practices at IPP4, alleging that the Client "[d]eliberately refuses to hire or employ people in the local affected

¹⁶³ PR 1.14.

¹⁶⁴ PR 1.17.

¹⁶⁵ PR 1.20.

¹⁶⁶ *Ibid.*

¹⁶⁷ PR 1.23.

¹⁶⁸ PR 1.24.

¹⁶⁹ PR 1.19.

¹⁷⁰ 2008 ESP C.28.

¹⁷¹ 2008 ESP C.35.

communities in the core workforce.”¹⁷² These allegations raise issues that are potentially addressed by provisions of PR 2 on non-discrimination and equal opportunities.¹⁷³ For purposes of Compliance Review, which focuses on the Bank’s acts and/or omissions, the question implicitly raised by the Complaint are in particular whether the Bank met its obligation to require the Client to structure the Project to meet these requirements.¹⁷⁴

101. **Performance Requirement 3** concerns Pollution Prevention and Abatement. It should be noticed that in the case of IPP4, the application of PR 3 is modified by the air quality derogation approved by the Board of the Bank in respect of the project, which forms the basis of the standards applicable to the Project in respect of the air quality issues that it addresses. Subject to the applicability of this derogation, the provisions of PR 3 are applicable to the Project.
102. EBRD-financed projects “must meet good international practice” in relation to pollution prevention and abatement.¹⁷⁵ The Bank will agree how relevant requirements of PR 3 will be addressed and managed as part of the client’s Environmental and Social Action Plan and/or management system,¹⁷⁶ and will also “identify and agree with the client the relevant applicable environmental requirements and guidelines.”¹⁷⁷
103. PR 3 sets out requirements for designing projects to comply with relevant EU environmental requirements, as well as applicable national law.¹⁷⁸ Throughout the project lifecycle, PR 3 states that the client will “apply pollution prevention and control technologies and techniques...that are best suited to avoid or, where avoidance is not feasible, minimise or reduce adverse impacts on human health and the environment while remaining technically and financially feasible and cost-effective.”¹⁷⁹ The client “will avoid the release of pollutants or, when avoidance is not feasible, minimise or control their release.”¹⁸⁰
104. Separate provisions of PR 3 address waste management. Where waste cannot be recovered or reused, the client “will treat, destroy, and dispose of it in an environmentally sound manner.”¹⁸¹ In relation to waste disposal conducted by third parties, “the client will use contractors that are reputable and legitimate enterprises licenced by the relevant regulatory authorities.”¹⁸² Clients are to seek to avoid, reduce or eliminate the use of hazardous substances and materials and will apply appropriate risk management measures.¹⁸³ The client is to put in place processes to ensure that all emissions and effluents and wastes “are inventoried and monitored on an ongoing basis.”¹⁸⁴

¹⁷² Complaint, Section 19.

¹⁷³ PR 2.10.

¹⁷⁴ 2008 ESP C.28.

¹⁷⁵ PR 3.1.

¹⁷⁶ PR 3.4.

¹⁷⁷ PR 3.9.

¹⁷⁸ In particular PR 3.5, 6, 8 and 9.

¹⁷⁹ PR 3.10.

¹⁸⁰ PR 3.11.

¹⁸¹ PR 3.12.

¹⁸² *Ibid.*

¹⁸³ PR 3.13.

¹⁸⁴ PR 3.15.

105. PR 3 also includes requirements on emergency preparedness and response (which is additionally addressed in PR 4).¹⁸⁵
106. The matters raised in the Complaint speak to many of PR 3's requirements. These include (but are not limited to) in relation to the Bank's roles in establishing applicable requirements, monitoring, and reporting, in respect of pollution prevention, control and abatement, waste management, and emergency preparedness and response.
107. **Performance Requirement 4** addresses Community Health, Safety and Security throughout the project lifecycle. The Bank must agree with the client how the requirements of PR 4 will be addressed.¹⁸⁶ The client will "identify and evaluate the risks and potential impacts to the health and safety of the affected community...and will establish preventive measures and plans to address them in a manner commensurate with the identified risks and impacts."¹⁸⁷ The client is to report on risks impacts and benefits and implementation of any action plans on a regular basis to EBRD and to affected communities.¹⁸⁸
108. The client is to prevent or minimise the potential for community exposure to hazardous materials that may be released by the project.¹⁸⁹ The client will exercise "commercially reasonable efforts to control the safety of...transportation and disposal of wastes, and will implement measures to avoid or control community exposure."¹⁹⁰ Information on "risk, exposure of population, mitigation measures and monitoring will be...communicated to the public."¹⁹¹ Further, the client will avoid or minimise adverse impacts due to project activities "on air, soil, water, vegetation and fauna and other natural resources in use by affected communities."¹⁹²
109. PR 4 contains detailed requirements on emergency preparedness and response, in addition to those of PR 3.
110. The Complaint raises a number of issues about disclosure of project-related health and safety and emergency response information to communities; about minimisation of community exposure to hazardous materials that may be released by the Project (including management of waste which the Complaint alleges is dumped on agricultural lands¹⁹³); and about community involvement in, and awareness of, emergency planning. By implication, the Complaint equally raises issues about whether the Bank has met its obligations in these regards.
111. **Performance Requirement 5** concerns Land Acquisition, Involuntary Resettlement and Economic Displacement. Involuntary resettlement, for purposes of PR 5, "refers both to physical displacement (relocation or loss of shelter) and to economic displacement (loss of assets or access to assets that leads to loss of income sources or

¹⁸⁵ PR 3.14.

¹⁸⁶ PR 4.5.

¹⁸⁷ PR 4.7.

¹⁸⁸ PR 4.9.

¹⁸⁹ PR 4.12.

¹⁹⁰ PR 4.14.

¹⁹¹ *Ibid.*

¹⁹² PR 4.16.

¹⁹³ Complaint, Section 4.

means of livelihood) as a result of project-related land acquisition or restriction of access to natural resources.”¹⁹⁴ The applicability of PR 5 must be determined by the Bank during the environmental and social appraisal process.¹⁹⁵ The assessment and management of any resettlement process are outlined in PR 5, whereas environmental and social appraisal and management requirements are outlined in PR 1 and PR 10.

112. The Complaint states that the IPP4 project was installed “in the populated area & right in the middle of our agricultural lands”¹⁹⁶ and quotes from IFC performance standards in relation to resettlement. In correspondence, EASEP stated that whilst people had not been moved off their land for the IPP4 project, installing IPP4 in its location had resulted in economic displacement in the sense that land values in the locations referred to in the Complaint had drastically decreased and land “isn’t good” for agriculture, housing or other livelihoods. EASEP adds that “types of assets to which access might be lost could include, but are not limited to, pasture, medicinal plants, and croplands, fallow lands. Whilst these resources are, by definition, not owned by individual households, access to them is often a key component of affected households’ livelihoods, without which they will likely face the risk of project-induced impoverishment.” The Bank Management Response notes that no resettlement was required for the Project, as the government was already the landowner of the site prior to the Client’s involvement and the land was unoccupied and unused.¹⁹⁷ Notwithstanding this, for purposes of this Eligibility Assessment stage (which cannot consider whether the Complainant’s understanding of economic displacement is correct for purposes of PR 5) *prima facie* the Complaint raises issues relating to PR 5, in particular whether the Bank correctly and/or properly assessed the applicability of PR 5 during the environmental and social appraisal process.
113. **Performance Requirement 7** concerns Indigenous Peoples. PR 7 applies “when a project is likely to affect Indigenous Peoples.”¹⁹⁸ The Bank has an obligation to determine the applicability of PR 7 during the environmental and social appraisal process according to criteria outlined in PR7. Implementation must be managed in accordance with PRs 7, and 1, 5, 8 and 10 as appropriate.¹⁹⁹
114. For purposes of the 2008 Environmental and Social Policy and PR 7, the term “Indigenous Peoples” is used “in a technical sense to refer to a social and cultural minority group, distinct from dominant groups within national societies, possessing the following characteristics in varying degrees: self-identification as members of a distinct indigenous ethnic or cultural group and recognition of this identity by others; collective attachment to geographically distinct habitats, traditional lands or ancestral territories in the project area and to the natural resources in these habitats and territories descent from populations who have traditionally pursued non-wage (and often nomadic/transhumant) subsistence strategies and whose status was regulated by their own customs or traditions or by special laws or regulations.”²⁰⁰

¹⁹⁴ PR 5.1.

¹⁹⁵ PR 5.10.

¹⁹⁶ Complaint, Section 1.

¹⁹⁷ Bank Management Response, Section 4, Box 17.

¹⁹⁸ PR 7.7.

¹⁹⁹ PR 7.8.

²⁰⁰ PR 7.10.

115. In projects where “Indigenous Peoples are likely to be affected” the client is required to carry out an assessment of impacts on Indigenous Peoples, and to engage in “informed consultation and participation with the affected indigenous communities, implement a specific grievance mechanism and identify and determine appropriate modalities for compensation and benefit-sharing.”²⁰¹ Before starting certain activities²⁰² clients must obtain the free, prior and informed consent of Indigenous Peoples.²⁰³ Additional provisions address compensation, benefit-sharing, and provision of culturally appropriate development benefits.
116. In the present case, the Complaint quotes extensively from IFC performance standard provisions on Indigenous Peoples. The Bank Management Response asserts that the characteristics of Indigenous Peoples for purposes of PR 7 “do not apply to the inhabitants of the villages in Jordan near the facility, nor indeed to any community/population in the Kingdom of Jordan.”²⁰⁴
117. The Complaint does not specify why the Complainants consider that affected communities include Indigenous Peoples. In conversation with the Eligibility Assessors, EASEP has asserted that communities in the vicinity of the IPP4 site have existed for as long as a hundred years. The terms “indigenous people” and “indigenous local affected communities” were used by EASEP’s Chairman to refer to people connected with communities in the vicinity of the IPP4 site in his initial communication with PCM of 1 May 2015, prior to lodging a formal Complaint in August 2015.
118. The Eligibility Assessors note that the term “indigenous” has colloquial as well as legal and technical applications. However, the Eligibility Assessors are not permitted to conclude that the Bank’s environmental and social appraisal correctly concluded that PR 7 does not apply. *Prima facie* the present Complaint raises issues relating to PR 7.
119. **Performance Requirement 10** concerns Information Disclosure and Stakeholder Engagement. All clients must carry out stakeholder identification and analysis in accordance with PR 10 early in the environmental and social appraisal process.²⁰⁵ As part of its due diligence, “the Bank will assess the level of information disclosure and consultation conducted by the client against the requirements of” PR 10.²⁰⁶ The need for and nature of any consultation will be agreed with EBRD.²⁰⁷ Requirements for the quality of stakeholder engagement²⁰⁸ and for steps in successful stakeholder engagement are also set out in PR 10²⁰⁹ and an adequate level of detail must be included so as to enable to Bank to determine the level of communication appropriate for the project.²¹⁰ In Category A projects, such as IPP4, clients will engage in a scoping process with “identified stakeholders” as part of the ESIA.²¹¹ PR 10 states that

²⁰¹ PR 7.13.

²⁰² Specified in PR 7.32-7.37.

²⁰³ PR 7.31

²⁰⁴ Bank Management Response, Section 4, Box 17.

²⁰⁵ PR 10.7.

²⁰⁶ *Ibid.*

²⁰⁷ PR 10.15.

²⁰⁸ PR 10.6.

²⁰⁹ PR 10.9.

²¹⁰ *Ibid.*

²¹¹ PR 10.10.

“[d]ifferent levels of engagement and consultation might be appropriate for affected parties and other interested parties.”²¹²

120. PR10 specifies the information types that must be disclosed, and the manner in which information must be disclosed, if “communities may be affected by adverse environmental or social impacts from the project.”²¹³ Additional information may need to be disclosed “on an ongoing basis, as the project progresses, in case of any material changes in the nature of the project or its impacts, or if material new risks and impacts arise.”²¹⁴ Clients are to provide ongoing information to identified stakeholders commensurate to the nature of the project and its associated impacts and the level of public interest. Disclosure should address implementation of mitigation measures in the ESAP, as well as the affected communities’ ongoing interests and concerns about the project.²¹⁵ Reports should be in an accessible format and in a frequency proportionate to the concerns of affected communities.²¹⁶
121. Category A projects, such as IPP4, require a formalised and participatory assessment process, with disclosure and consultation requirements built into each stage. In Category A projects involving an ESIA, ESIA disclosure and consultation must be carried out in accordance with PR 10’s provisions on information disclosure and meaningful consultation.²¹⁷ PRs 5 and 7 respectively provide special requirements in projects involving involuntary resettlement or affected Indigenous Peoples.
122. Where local communities are, or are likely to be, severely and permanently adversely affected but without commensurate benefits, the client must engage with the affected communities to examine options for community development programmes that would benefit them.²¹⁸
123. Clients “will establish” a grievance mechanism, process, or procedure to receive and facilitate resolution of stakeholders’ concerns and grievances about the client’s environmental and social performance. It “should be scaled to the risks and potential adverse impacts of the project.”²¹⁹ The grievance mechanism, process, or procedure “should address concerns promptly and effectively, using an understandable and transparent process that is culturally appropriate and readily accessible to all segments of the affected communities, at no cost and without retribution.”²²⁰ Additional provisions relating to establishment of an appeal mechanism apply to projects to which PR 5 (on involuntary resettlement) or 7 (on Indigenous Peoples) apply.²²¹
124. The Complaint clearly raises concerns concerning PR 10, including the Bank’s assessment of the level of information disclosure and consultation conducted by the Client in relation to the requirements of PR 10; its determination of the level of communication appropriate for the project when it was being considered; whether the Bank fulfilled its obligations

²¹² PR 10.11.

²¹³ PR 10.12.

²¹⁴ PR 10.14.

²¹⁵ PR 10.21.

²¹⁶ PR 10.22.

²¹⁷ PR 10.18.

²¹⁸ PR 10.20.

²¹⁹ PR 10.24.

²²⁰ PR 10.25.

²²¹ *Ibid.*

in connection with identification and analysis, engagement, consultation, disclosure, and the establishment and implementation of a grievance mechanism by the Client; and whether the Bank met its monitoring obligations in relation to the matters addressed by PR 10.

125. The Eligibility Assessors conclude that the Complaint raises issues concerning the 2008 Environmental and Social Policy Parts B and C, and Performance Requirements 1, 2, 3, 4, 5, 7 and 10.

Disqualifying criteria

126. The PCM RPs also require the Eligibility Assessors to consider whether the Complaint is disqualified (and therefore ineligible) for either a Problem-solving Initiative or a Compliance Review because it falls into any of four categories listed in PCM RP 28a)-d). Each is considered in turn below. Those provisions of PCM RP 25c) applicable only to the request for a Problem-solving Initiative are considered separately in the determination on eligibility for a Problem-solving Initiative, below.
127. *PCM RP 28a): It was filed fraudulently or for a frivolous or malicious purpose.* The Eligibility Assessors do not have evidence that the Complaint was filed fraudulently or for a frivolous or malicious purpose.
128. *PCM RP 28b): Its primary purpose is to seek competitive advantage through the disclosure of information or through delaying the Project.* There has been no suggestion that the primary purpose of the Complaint is to seek competitive advantage through the disclosure of information. The Project is already operational, and therefore no question can arise that the purpose of the Complaint may be to seek competitive advantage through delaying the Project.
129. *PCM RP 28c)²²²: In the event that a Complaint is seeking a Compliance Review, a review by another accountability mechanism will not disqualify the Complaint from being processed under these rules.* No disqualification issue arises under this provision in respect of the request for Compliance Review. Whilst the Eligibility Assessors understand that the Complaint is not currently under consideration by OPIC's accountability mechanism, it is considered prudent to allow for this eventuality in terms of reference for the Compliance Review.
130. *PCM RP 28d): It relates to the obligations of a third party, such as an environmental authority and the adequacy of their implementation of national requirements, or relating to the obligations of the country under international law or treaty, rather than to issues that are under the control of the Client or the Bank.* The Complaint refers directly or indirectly to the purported acts and/or omissions of a number of third parties including the Royal Scientific Society of Jordan, the Jordanian Ministry of Environment and the Jordanian Water Authority.
131. PCM RP 28d) requires the Eligibility Assessors to consider whether the Complaint "relates to" the obligations of a third party "rather than" to issues that are under the

²²² Specific provisions of PCM RP 28c) applicable to Complaints requesting a Problem-solving Initiative are considered separately in paragraphs, below.

control of the Client or the Bank. The Eligibility Assessors consider that the recommendations and requests contained in the Complaint relate in substance only to those issues that are under the control of the Client and/or the Bank and that they are therefore capable of being addressed by them. The Assessors do not consider that PCM RP 28d) is intended to address references to third party acts and/or omissions that are incidental to the Complaint's recommendations and requests of the Client and/or the Bank, and thereby to disqualify Complaints that include such references from Compliance Review.

132. The Eligibility Assessors conclude that the Complaint is not rendered ineligible for Compliance Review by means of any of the applicable sub-paragraphs of PCM RP 28.

Compliance Review: Additional Criteria

133. As concluded above, the mandatory criteria for Compliance Review set out in PCM RP 24b) are satisfied and none of the exclusion criteria of PCM RP 28 apply.
134. According to PCM RP 27a), b) and c), where the Complaint raises issues appropriate for a Compliance Review, the Eligibility Assessors are additionally required to consider whether the Complaint relates to:
- a. actions or inactions that are the responsibility of the Bank
 - b. more than a minor technical violation of a Relevant EBRD Policy unless such technical violation is alleged to have caused harm
 - c. a failure of the Bank to monitor Client commitments pursuant to a Relevant EBRD Policy.
135. It is clear from both the context and the language of these paragraphs that affirmative or negative conclusions in relation to one or more paragraph are not in and of themselves determinative of eligibility. Rather, they represent factors that must be considered in the course of the Assessment.
136. In relation to PCM RP 27a), the substance of the matters raised in the Complaint point to (though they are not expressed in terms of) failures by the Bank to monitor the Project and Client commitments in accordance with the 2008 Environmental and Social Policy and to follow the requirements and guidance of that Policy. Whilst the Complaint does not contain specific allegations in relation to Bank actions or inactions, it is hard to imagine a situation where the wide-ranging allegations and complaints raised by the Complaint would, if proved, not have been associated with failures on the part of the Bank. The Eligibility Assessors consider that the Complaint "relates to" actions or inactions that are the responsibility of the Bank, in the sense of containing allegations that point to such actions or inactions.
137. In relation to PCM RP 27b) the Eligibility Assessors note that, in part, the language of the Complaint invites the PCM to provide assurance that IFC requirements have been met (which is read as a request to provide assurance that their EBRD equivalents have been met), without making any specific allegation that they have been violated. The Assessors have considered whether such elements of the Complaint fall within the overall class of matters addressed by PCM RP 27b) insofar as they may give rise to issues for consideration in the course of a Compliance Review. The Eligibility

Assessors conclude that they do not: such aspects of the Complaint would not, if they led a Compliance Review Expert to a finding of non-compliance, raise issues that amount to (mere) minor technical violations. The Eligibility Assessors do not find that PCM RP 27b) provides grounds for excluding the implications of such questions for the Bank's obligations from Compliance Review.

138. In relation to PCM RP 27c), it follows from the views expressed on PCM RP 27a) that the Eligibility Assessors consider that the Complaint "relates to" a failure of the Bank to monitor Client commitments pursuant to a Relevant EBRD Policy. Indeed, the Complaint contains detailed allegations in relation to purported failures in the monitoring and testing procedures and practices applied to IPP4 which, if proven, would inevitably raise questions about the Bank's monitoring of Client commitments.
139. **The Eligibility Assessors conclude that the Complaint is eligible for Compliance Review.**

Problem-solving Initiative: General Eligibility Criteria

140. To determine the eligibility of the Complaint for a Problem-solving Initiative, the Eligibility Assessors have examined the requirements of PCM RPs 24a), 25 and 26.
141. To be held eligible for a Problem-solving Initiative, pursuant to PCM RP 24a), the Complaint must i) be filed by an individual or individuals located in an Impacted Area or who has or have an economic interest, including social and cultural interests in an Impacted Area; and ii) raise issues covered by a Relevant EBRD Policy.
142. As noted above, PCM RP 24 stipulates that the Bank may decide to agree that certain criteria are satisfied in order to expedite the determination of eligibility. The Eligibility Assessors note that the Bank Management Response clearly acknowledges that the Complaint raises issues covered by a Relevant EBRD Policy, namely the 2008 Environmental and Social Policy. No issue arises in this regard under PCM RP 24a)ii).
143. For purposes of PCM RP 24a)i), "Impacted Area" is defined for purposes of the PCM RPs as "the geographical area which is, or is likely to be, affected by the Project." In the present case, the 91 individual Complainants who have requested a Problem-solving Initiative are either residents of, or landowners or farmers in, one or more of seven villages from the area surrounding the IPP4 power plant, and seven out of the eight named in the Complaint. The Eligibility Assessors do not consider it necessary to verify, for the purposes of Eligibility Assessment, the precise nature of each individual Complainant's location in relation to, or interest in, the Impacted Area in order to conclude that the Complaint has been filed by "individuals located in an Impacted Area or who have an economic interest...." Such individuals are clearly among the 91 Complainants.
144. The Eligibility Assessors conclude that the Complaint has been lodged by eligible individuals and raises issues under the EBRD's 2008 Environmental and Social Policy. It therefore meets two mandatory criteria for a Problem-solving Initiative under PCM RP 24a).

145. In the case of both a request for a Problem-solving Initiative and a Compliance Review, PCM RP 25 lists a number of kinds of information that should be included in the Complaint “if possible”. As noted above, the Eligibility Assessors have assessed the Complaint further in relation to each kind of information in that list and conclude that the Complaint is in substance aligned with the guidance of PCM RP 25a)-d). No additional considerations apply in relation to the request for a Problem-solving Initiative.

Problem-solving Initiative: Disqualifying Criteria

146. The PCM RPs also require the Eligibility Assessors to consider whether the Complaint is disqualified (and therefore ineligible) for a Problem-solving Initiative because it falls into any of four categories listed in PCM RP 28a)-d). It has been concluded above that the Complaint is not disqualified under PCM RP 28a), b) or d).
147. PCM RP 28c) contains separate provisions for requests for Problem-solving Initiative and Compliance Review respectively. The Eligibility Assessors have already concluded that it does not disqualify the request for Compliance Review.
148. PCM RP 28c) states that a Complaint will not be eligible if “in the case of a request for a Problem-solving Initiative, the subject matter of the Complaint has been dealt with by the accountability mechanism of any co-financing institution and the PCM Officer is satisfied that the Complaint was adequately considered by such accountability mechanism, unless there is new evidence or circumstances not known at the time of the previous Complaint.” As far as the Eligibility Assessors are aware, the Complaint is not currently under consideration by OPIC’s accountability mechanism. The Eligibility Assessors do not consider that the possibility that it might be, disqualifies the request for a Problem-solving Initiative.

Problem-solving Initiative: Additional Criteria

149. Where the Complaint raises issues that are appropriate for a Problem-solving Initiative, PCM RPs 26a) and b) additionally provide that the Eligibility Assessors must also consider whether a Problem-solving Initiative would assist in resolving the dispute, or is likely to have a positive result, in particular:
- whether the Complainant has raised the issues in the Complaint with the Client’s dispute resolution or grievance mechanism, or with the Complaint or accountability mechanism of a co-financing institution, or before a court, arbitration tribunal or other dispute resolution mechanism and, if so, what is the status of those efforts; and
 - whether the Problem-solving Initiative may duplicate, or interfere with, or may be impeded by, any other process brought by the same Complainant (or where the Complainant is a group of individuals, by some members of the group) regarding the same Project and/or issues.
150. The Eligibility Assessors set out their conclusions below in relation to the overarching requirement of PCM RP 26, that is, whether a Problem-solving Initiative would assist in resolving the dispute, or is likely to have a positive result.
151. In relation to the more particular considerations contained in PCM RP 26a), the Eligibility Assessors have reviewed correspondence between EASEP’s Chairman (both

before and since EASEP was formed) and representatives of the Client and its shareholders. This correspondence shows that EASEP's Chairman has raised many of the issues set out in the Complaint in a variety of ways with both the Client and its shareholder companies. He has done so, according to his communications, both in his capacity as Chairman of EASEP and, prior to EASEP's registration, as a concerned member of communities in the vicinity of the IPP4 site. He has met with representatives of the Client and with a representative of the Bank to discuss a range of concerns, and has additionally received email responses from the Client in which the Client's perspective is outlined, together with a detailed written response from the Bank to concerns raised.

152. The correspondence and discussions with EASEP, as well as meetings and discussion with representatives of the Bank and the Client, show that the Complainants' representative does not consider that the issues raised have been adequately addressed. EASEP therefore submitted a complaint to the PCM on 2 August 2015.
153. In relation to the additional considerations contained in PCM RP 26b), the Eligibility Assessors do not consider *overall* that a Problem-solving Initiative would duplicate, or interfere with, or be impeded by, any other process brought by the same group of Complainants. However, the Complaint raises wide-ranging issues, at least one of which (in relation to complaints of physical damage to properties in Al Manakher that have suffered cracks) has been, according to the Bank Management Response, raised by villagers and not yet reached a final conclusion under the Client's grievance mechanism.
154. The particular matters set out in PCM RP 26a) and b) do not disqualify the Complaint from a Problem-solving Initiative. However, in accordance with the overarching requirement of PCM RP 26, the Eligibility Assessors must consider overall whether a Problem-solving Initiative would assist in resolving the dispute, or is likely to have a positive result.
155. The Complainants' representative confirmed in discussion with the Eligibility Assessors at an early stage of the Eligibility Assessment that the Complainants would like to engage in a Problem-solving Initiative with the Client through the PCM. Following discussion and correspondence with the Client, the Client has carefully considered, on the basis of a note provided by us, what would be entailed in a Problem-solving Initiative. The Problem-solving Initiative is entirely voluntary, and on this occasion the Client has concluded that it does not wish to engage in a Problem-solving Initiative under the PCM.
156. Accordingly, the Eligibility Assessors do not consider that in the particular circumstances of the present Complaint, a Problem-solving Initiative would be likely to have a positive result.
157. **Under the circumstances, the Eligibility Assessors find that the Complaint is not eligible for a Problem-solving Initiative.**

V. CONCLUSIONS

158. On the basis of the assessment set out above, the Eligibility Assessors conclude that the Complaint satisfies the requirements of PCM RPs 24, 25 and 27, but not RP 26, and that the provisions of PCM RP 28 do not preclude Compliance Review. **Therefore, the Complaint is found *eligible* for a Compliance Review and *ineligible* for a Problem-solving Initiative.**
159. The Terms of Reference for a Compliance Review²²³ are set out below.

²²³ Three factors underpin the need for expansive Terms of Reference: 1. Lack of information in the Complaint about the Bank's acts and omissions (as distinct from those of the Client), so that our analysis of relevant provisions has been drawn to mirror, in relation to the Bank, the Complaint's allegations of Client acts and omissions. 2. The Complaint's references to IFC, rather than EBRD, requirements, which has forced us to identify relevant provisions of the 2008 Environmental and Social Policy ab initio. 3. The fact that our role as Eligibility Assessors does not permit us to make a judgment regarding the truthfulness or correctness of the Complaint.

COMPLAINT: IPP4 Al Manakher Power Project
Request Number: 2015/02

Terms of Reference for Compliance Review

Application

1. These Terms of Reference apply to any inquiry, action or review process undertaken as part of the Compliance Review, with a view to determining under PCM RP 41 whether (and if so, how and why) any EBRD action, or failure to act, in respect of the Project has resulted in non-compliance with a Relevant EBRD Policy (in the present case the EBRD's 2008 Environmental and Social Policy) and, if in the affirmative, to recommend remedial changes in accordance with PCM RP 44.
2. Activities carried out as part of the Compliance Review and subject to these Terms of Reference are subject to modifications which the Compliance Review Expert and the PCM Officer may, at any time, expressly agree upon, save for modifications that may prejudice the interests of any Relevant Party or that are inconsistent with accepted Compliance Review practice.

Compliance Review Expert

3. In accordance with PCM RP 40 the PCM Officer appoints PCM Expert Albab Akanda as the Compliance Review Expert for this Compliance Review.
4. The Compliance Review Expert shall conduct the Compliance Review in a neutral, independent and impartial manner and will be guided by principles of objectivity and fairness giving consideration to, *inter alia*, the rights and obligations of the Relevant Parties, the general circumstances surrounding the Complaint and due respect for EBRD staff.

Time Frame

5. The Compliance Review will commence as soon as possible following the posting of the Eligibility Assessment Report containing these Terms of Reference in the PCM Register on the EBRD website.
6. Every effort shall be made to ensure that the Compliance Review is conducted as expeditiously as circumstances permit, and it is intended that the Compliance Review shall be concluded within 60 Business Days of its commencement. On request of the Compliance Review Expert, the PCM Officer may extend this time period for as long as necessary to ensure full and proper conduct of the Compliance Review. Any such extension shall be promptly notified to all Relevant Parties.

Scope of Compliance Review

7. As an initial step, the Compliance Review Expert will determine the precise requirements, in the specific context of the present Project, of each of the relevant provisions of the 2008 Environmental and Social Policy and its Performance

Requirements, and in respect of which the Complaint infers non-compliance. Relevant provisions of the 2008 Environmental and Social Policy may include:

- 2008 Policy § B: *EBRD's Commitment* (¶¶ 3, 7, 9)
 - 2008 Policy § C: *Project Appraisal Process* (¶¶ 14-15); *Stakeholder Engagement* (¶ 25); *Performance Requirements* (¶ 27-28); *Monitoring* (¶¶ 34-37)
 - PR 1 (¶¶ 2, 5-6, 7-9, 13-15, 17, 19 [last paragraph], 20-24)
 - PR 2 (¶¶ 2-3, 5, 10, 19)
 - PR 3 (¶¶ 1-16)
 - PR 4 (¶¶ 5, 7-14, 16, 18-25)
 - PR 5 (as applicable)
 - PR 7 (as applicable)
 - PR 10 (¶¶ 1-25)
8. The Compliance Review process will examine the core compliance issues in the context of the 2008 Environmental and Social Policy (2008 ESP) and in all cases limited to matters raised in the Complaint as they raise issues concerning the Bank's acts and/or omissions, in particular:

-Whether the Bank met its obligation to seek to ensure through environmental and social appraisal and monitoring that the IPP4 Project i) respected, and continues to respect, the rights of affected communities, and ii) was and is designed and operated in compliance with applicable good international practice. (2008 ESP B.3)

-Whether the Bank's acts and omissions in respect of the IPP4 Project sufficiently reflect the Bank's expectation that clients identify and interact with their stakeholders on an ongoing basis, and engage with potentially affected communities through disclosure of information, consultation, and informed participation in a manner deemed by the Bank to be commensurate to the impacts associated with the project. (2008 ESP B. 7)

-Whether the Bank actively sought, through its investment in the IPP4 Project, to contribute to the effective implementation of relevant principles and rules of international law related to environment, corporate responsibility and public access to environmental information, including but not limited to the *OECD Guidelines for Multinational Enterprises*, the *UN Economic Commission for Europe Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters*, and, as considered applicable, the *UN Guiding Principles for Business and Human Rights*. (2008 ESP B.9)

-Whether in respect of the IPP4 Project, including but not limited to the processes of environmental and social appraisal and impact assessment and stakeholder engagement, as well as the terms of its investment agreements with the Client and its subsequent monitoring programme; the Bank met its obligation under the 2008 ESP to require the Client to structure the IPP4 Project so that it meets all applicable Performance Requirements. (2008 ESP C.28)

-Whether the Bank's environmental and social appraisal in respect of the IPP4 power plant, including but not limited to the gap analysis carried out by the Bank when it was approached to co-finance the IPP4 Project, adequately ascertained whether

activities to be supported by EBRD finance were capable of being implemented in accordance with the 2008 ESP and its Performance Requirements. (2008 ESP C.14)

-Whether the Bank met its obligation to define with the Client a monitoring programme that is in accordance with PR 1 and specifies the appropriate monitoring tools. Whether (including but not limited to in respect of monitoring of ambient air quality, stack emissions, waste, effluents and noise) the Bank met its obligation to ensure that the IPP4 Project monitoring programme was, and is, commensurate with the Project's issues, impacts and compliance requirements, and with the ability of the Client and/or local authorities to adequately monitor and manage these issues and impacts. (2008 ESP C.35)

-Environmental and Social Appraisal and Management (PR 1)

Whether the Bank adequately assessed, addressed, and monitored compliance with, the requirements of PR 1, including those applicable or related to a) gap analysis conducted for purposes of environmental and social due diligence and appraisal; b) environmental and social appraisal and due diligence, and environmental and social impact assessment (including in relation to requirements for Category A projects); c) agreement on the project area of influence; d) identification of affected communities and the role and capacity of third parties; e) stakeholder engagement and external reporting on progress; f) monitoring and auditing; g) the form and content of the ESIA, SEP and ESMMP; and h) arrangements in relation to non-discrimination concerning contractors working on the IPP4 site.

-Discrimination and equal opportunity (PR 2)

Whether the Bank met its obligations in respect of the requirements a) that the Client's human resource policies, procedures and standards are designed to promote the fair treatment, non-discrimination and equal opportunity of workers b) that the Client will make employment decisions on the basis of personal characteristics and c) that the Client will base the employment relationship on the principle of equal opportunity and fair treatment. Additionally, whether the Bank met these obligations insofar as they are also applicable, by virtue of PR 1, to contractors working on the IPP4 site.

-Pollution Prevention and Abatement (PR 3)

Whether the Bank adequately assessed, addressed, and monitored compliance with, the requirements of PR 3, including in relation to a) the application of relevant EU environmental standards (as modified by the derogation from PR 3 approved by the Board); b) agreement on relevant applicable environmental guidelines and requirements; c) pollution prevention, abatement and control; d) avoidance minimisation and control of emissions, noise, and effluents; e) waste treatment and disposal; f) avoidance, reduction or elimination, and appropriate management of, hazardous substances and materials; and g) in connection with preparation for processing of upset, accidental and emergency situations.

-Mitigation of Impacts on Community Health, Safety and Security (PR 4)

Whether the Bank adequately assessed, addressed, and monitored compliance with, the requirements of PR 4, including in relation to a) air and noise pollution; b) hazardous materials safety; c) waste disposal; and d) emergency preparedness and response; and additionally in connection with e) the Client's consultation and

collaboration with, and disclosure to, communities and the public on matters addressed by PR 4.

-Land Acquisition, Involuntary Resettlement and Economic Displacement (PR 5)

Whether the Bank considered and properly determined the applicability of PR5 during the environmental and social appraisal process when concluding that no involuntary resettlement and/or economic displacement took place as a result of any project-related land acquisition. Depending on the answer to the preceding question, whether the Bank failed to ensure that the Client followed the requirements of PR 5.

-Failure to Recognise Indigenous Peoples (PR 7)

Whether the Bank properly applied the 2008 ESP's definition of Indigenous Peoples, including whether EBRD undertook adequate analysis to determine the applicability of PR 7, and in particular whether any communities in the vicinity of the IPP4 site should be recognized as Indigenous Peoples. Depending on the answer to the preceding question, whether the Bank failed to ensure that any such communities were afforded the protections provided to Indigenous Peoples under PR 7.

-Disclosure and Stakeholder Engagement (PR 10)

Whether the Banks's obligations relating to information disclosure and stakeholder engagement were fulfilled in accordance with PR 10. Whether EBRD adequately assessed and monitored compliance with the requirements of PR 10, in particular in relation to:

- Whether the Bank properly assessed the level of information disclosure and consultation conducted by the client against the requirements of PR 10
- Whether the Bank took sufficient steps to ensure a) that the scoping process conducted by the Client engaged with identified stakeholders to ensure identification of all key issues to be investigated; and b) that stakeholders were afforded opportunities to provide comments and recommendations on the draft Stakeholder Engagement Plan and other scoping documents
- Whether the Bank took sufficient steps to ensure that the client provided it with adequate information to determine the level of communication appropriate for the IPP4 Project
- Whether the Bank has taken adequate steps to ensure that the Client provides ongoing information to identified stakeholders in accordance with PR 4. Compliance Review in this regard should focus in particular on, but not be limited to, communication with residents and stakeholders of the places named in the Complaint; for example in relation to environmental and social impacts and performance; implementation of the ESMMP; emergency preparedness and response; noise; cracks in nearby houses; and employment and contracting opportunities
- Whether the Bank had an obligation, in relation to Al Manakher, to take adequate steps to ensure that the Client engaged with the affected community in a meaningful way to examine options for community development programmes that would benefit them, and if the answer is in the affirmative, whether this obligation was met
- Whether the Bank met its obligations to ensure that the Client's grievance mechanism is scaled to the risks and adverse impacts of the Project, and that it addresses concerns promptly and effectively, using an understandable and

transparent process that is culturally appropriate and readily accessible to all segments of the affected communities, at no cost and without retribution

- Whether the Bank met its obligation to ensure that the Client inform affected communities about the grievance process in the course of its community engagement activities, and report regularly to the public on its implementation
- Whether the Bank has any obligation to ensure that a grievance mechanism scaled to the risk and adverse impacts of the IPP4 Project should include provision for grievances to be lodged with and addressed by a third party/ies other than the Governor of Sahab.

Compliance Reviewer Discretion

9. Although the Compliance Review Expert retains the final authority to frame and/or consolidate the core Compliance Review questions as he deems appropriate, he should give due consideration to those questions that are set out by the Eligibility Assessors in these Terms of Reference.

Procedure: Conduct of the Review

10. The Compliance Review Expert may conduct the Compliance Review process in such a manner as he considers appropriate, taking into account the Rules of Procedure of the PCM, the concerns expressed by the Complainants as set out in the Complaint, and the general circumstances of the Complaint.
11. Specifically, the Compliance Review Expert may:
 - a. review the Complaint to frame or to refine the compliance issues to be included in the Compliance Review, specifically whether EBRD complied with the 2008 ESP;
 - b. review all documentation relevant to the Complaint;
 - c. consult with EBRD staff involved in the Project, including personnel from the Bank's Environment and Sustainability Department, the Project Team Group, and the relevant EBRD Resident Office;
 - d. solicit additional oral or written information from, or hold meetings with, the Complainant, any other Relevant Party and, further, any interested person or party as may be appropriate for the conduct of the Compliance Review;
 - e. if necessary to ascertain relevant facts, conduct a visit to the Project site accompanied by such officials of the Bank, the Complainants, the Client or other persons as he may consider necessary and appropriate;
 - f. request the PCM Officer to retain additional expertise if needed;
 - g. identify any appropriate remedial changes in accordance with PCM RP 41, subject to consideration of any restrictions or arrangements already committed to by the Bank or any other Relevant Party in existing Project-related agreements;
 - h. as necessary and/or appropriate, communicate and cooperate with the Office of Accountability of the US Overseas Private Investment Corporation (OPIC) so as to avoid duplication of efforts and/or disruption or disturbance to any common parties, and, if necessary and to the extent appropriate, consider establishing a written cooperation agreement with OPIC's Office of Accountability addressing such issues as confidentiality and sharing of information;
 - i. take any other action as may be required to complete the Compliance Review within the required timeframe and in consultation with the PCM Officer, as appropriate.

Procedure: General

12. The Compliance Review Expert shall enjoy, subject to the provision of reasonable notice, full and unrestricted access to relevant Bank staff and files, and Bank staff shall be required to cooperate fully with the Compliance Review Expert in carrying out the Compliance Review.
13. The Compliance Review Expert shall take care to minimise the disruption to the daily operations of all involved parties, including relevant Bank staff.
14. Generally, all Relevant Parties shall cooperate in good faith with the Compliance Review Expert to advance the Compliance Review as expeditiously as possible and, in particular, shall endeavour to comply with requests from the Compliance Review Expert for obtaining access to sites, submission of written materials, provision of information and attendance at meetings. The Compliance Review Expert will advise the PCM Officer of situations where the actions or lack of action by any Relevant Party hinders or delays the conduct of the Compliance Review.
15. Access to, and use and disclosure of, any information gathered by the Compliance Review Expert during the Compliance Review process shall be subject to the Bank's Public Information Policy and any other applicable requirements to maintain sensitive commercial and/or other information confidential. The Compliance Review Expert may not release a document, or information based thereon, which has been provided on a confidential basis without the express written consent of the party who owns such document.

Compliance Review Report

16. In accordance with PCM RP 42, the Compliance Review Expert shall prepare a Report. The Report may include a summary of the facts and allegations in the Complaint, and the steps taken to conduct the Compliance Review. The Relevant Parties shall be provided an opportunity to comment on the draft Report, and the Compliance Review Expert shall consider the comments of the Relevant Parties when finalising the Report. In addition, in cases of non-compliance, the Report shall include recommendations according to PCM RP 44.
17. The recommendations and findings of the Compliance Review Report shall be based only on the circumstances relevant to the present Complaint and shall be strictly impartial.
18. Prior to submitting the Compliance Review Report to the Relevant Parties and to the Board in accordance with PCM RP 43, or sending the draft Compliance Review Report to the Bank's Management and the Complainant in accordance with PCM RP 45, the PCM Officer will verify that there are no restrictions on the disclosure of information contained within the Report, and will consult with the Relevant Parties regarding the accuracy of the factual information contained therein.

Exclusion of Liability

19. Without prejudice to the privileges and immunities enjoyed by PCM Experts, the Compliance Review Expert shall not be liable to any party for any act or omission in connection with any Compliance Review activities undertaken pursuant to these Terms of Reference.

ANNEXES

Annex 1: Complaint

Annex 2: Bank Management Response

Annex 3: Client Response

Annex 1: Complaint

From: [PCM - Project Complaint Mechanism](#)
To: [PCM - Project Complaint Mechanism](#)
Subject: New Project Complaint
Date: 02 August 2015 15:36:40

Project Complaint to PCM

Date/Time

02/08/2015 14:36

Name/Organisation

East Amman Society for Environmental Protection(EASEP)/chairman. & Farhan Isaa Ahmed Al-Daboubi & all members of EASEP

Address

East Amman Society for Environmental Protection
 P.O Box (52) Amman, (11511) Jordan.

Country

JORDAN

Phone number

Tel/Fax: +962 (6) 4775750 & Mobile: +962(79)6731285 & +962(77)7782236.

Email

chairman_farhan@easep-jo.org

Is there a representative making this Complaint on behalf of the Complainant?

Yes

If yes, please provide the Name and Contact information of the Representative

Farhan Isaa Ahmed Al-Daboubi /chairman of East Amman Society for Environmental Protection (same address above).

Chairman legally represent all members by law.

Are you requesting that this Complaint be kept confidential?

No

If yes, please explain why you are requesting confidentiality

n/a

Please provide the name or a description of the EBRD Project at issue.

IPP4 Almanakher Power Plant./Amman/Jordan.

Please describe the harm that has been caused or might be caused by the Project.

East Amman Society for Environmental Protection Complaints about IPP4

1. Absent of local affected communities involvement in ESIA: (The local affected communities weren't practically involved in the ESIA which was tailor-made for the power project to be installed in the populated area & right in the middle of our agricultural lands).

The local affected communities & stakeholders involvement is not limited to Almanaker inhabitants & shouldn't be selected by the government, but it includes Khashafiat Aldabaibah, Khashafiat Alshawabkah, Albaida, Almadounah, Alalia, Alabdaliah, Abu Alandah.

The objective of SEP isn't for the purpose of explaining how the company will communicate with the affected communities & stakeholder, but it should give us the right to have access to environmental information including policies & measures taken, the state on human health & safety and should give us the right to be part of the decision _making in ESIA, and give us the right to review procedures to challenge government decisions made without respecting the access to environmental information & public participation in environmental decision _making.

SEP is considered as "Social License" & appointing & holding meetings with certain people selected by the government authorities at the client's interests doesn't represent the type of SEP stated in PS#1-25 (Stakeholder engagement is an ongoing process that may involve, in varying degrees, the following elements: stakeholder analysis and planning, disclosure and dissemination of information, consultation and participation, grievance mechanism & ongoing reporting to Affected Communities. The nature, frequency, and level of effort of stakeholder engagement may vary

considerably and will be commensurate with the project's risks and adverse impacts, and the project's phase of development)

IFC PS#1-26 states that Clients should identify the range of stakeholders that may be interested in their actions (not selected by local governor to meet client's interests) and consider how external communications might facilitate a dialog with all stakeholders. Where projects involve specifically identified physical elements, aspects and/or facilities that are likely to generate adverse environmental and social impacts to Affected Communities the client will identify the Affected Communities (not deliberately chosen by the client & the government which are part of the problem) and will meet the relevant requirements described below.

IFC PS#1-27 states that When the stakeholder engagement process depends substantially on community representatives, the client will make every reasonable effort to verify that such persons do in fact represent the views of Affected Communities and that they can be relied upon to faithfully communicate the results of consultations to their constituents (not biased selection of certain area inhabitants that suits the client's interests & conceal the environmental crimes).

IFC PS#1-GN93 states that If the process to identify risks and impacts indicates that there may be potential impacts and risks to the Affected Community, companies should seek early engagement with them.

IFC PS#7-GN30 states that there may be situations where likely project scope and location are known, but where the engagement process with Affected Communities of Indigenous Peoples is not yet sufficiently advanced to have obtained FPIC at the time of project approval. In such cases the overall principles and engagement process, and criteria for obtaining FPIC, should be agreed on before project approval. As a minimum FPIC should be obtained prior to any of the circumstances requiring FPIC taking place.

IFC PS#1-GN6 states that an effective engagement process allows the views, interests and concerns of different stakeholders, particularly of the local communities directly affected by the project (Affected Communities), to be heard, understood, and taken into account in project decisions and creation of development benefits (client ignores our complaints & no developments are made for local affected communities).

IFC PS#1-22 states that the local communities (NGO) should appoint a liaison officer who will be qualified & not tailor-made by client & Sahab Governor to meet the client's interests & to get away with some technical responsibilities.

2. Absence of Grievance Mechanism: (The client doesn't provide any kind of grievance mechanism, nor did they appoint a liaison officer from local affected communities to play this role)

IFC PS#1-35 states that where there are Affected Communities, the client will establish a grievance mechanism to receive and facilitate resolution of Affected Communities' concerns and grievances about the client's environmental and social performance. The grievance mechanism should be scaled to the risks and adverse impacts of the project and have Affected Communities as its primary user. It should seek to resolve concerns promptly (The client refers all complaints to the local governor or the government of Jordan).

IFC PS#5-11 states that the client will establish a grievance mechanism consistent with Performance Standard 1 as early as possible in the project development phase. This will allow the client to receive and address specific concerns about compensation and relocation raised by displaced persons or members of host communities in a timely fashion, including a recourse mechanism designed to resolve disputes in an impartial manner. (The client doesn't welcome any concerns, on the contrary, the client completely ignores the concerns & claims & doesn't respond at all & we have many correspondences showing that).

The client didn't establish any grievance mechanism that address human rights issues & they ignored the local communities' concerns.

The grievance mechanism is an alternative to an external dispute resolution processes, so it should offer the advantage of locally based, simplified & mutually beneficial way to settle issues way to settle issues within the framework of the company-community relationship & not through external dispute resolution such as Sahab Governor or biased government-client selected village committees formed to fulfill client's illegal interests.

The issues raised from high environmental & social impacts are not solved in a simple way as ERBD did by just copying client's justifications, but needs involvement of neutral, credible, specialized & accredited third party (not the Jordanian Government authorities nor RSS) such as national or international mediation bodies, independent mediators & facilitators & independent accountability mechanisms.

Client's ESIA 6.8.9 states that In order to minimize the potential negative impacts of operation and to maximize positive impacts, AES should establish a Grievance Mechanism as part of the overall Management System to ensure that proper consultation, disclosure and community engagement is included throughout the Power Project lifecycle (The client didn't implement any Grievance Mechanism at all).

As a policy, mechanism or process for handling grievances cannot be effective if no one knows

about it, the Grievance Mechanism should be documented and publicized and should be readily available to the relevant Stakeholder Groups.

3. Absence of Environmental, Social, Health & Safety periodic reports to local affected communities:

EHS guidelines involve establishment of specific targets based on environmental assessments & environmental audits which should be conducted by neutral specialized credible accredited third party with the involvement of qualified representatives of the local affected communities & not tailor-made to fulfill client's illegal interests by the Jordanian Government Authorities who are acting as the client's defense lawyers.

EHS reports should be tailored to the hazards & risks of the project on the basis of the results of an environmental assessment & the applicability of specific technical recommendations should be based on the professional opinion of qualified, experienced accredited bodies with the witness of local communities & client's representatives. (we never heard of any reports & if any lately done by the polluter they are biased between government & client when asked to do it).

The local affected communities are severely suffering from environmental, health, social & economical impacts of IPP 4 & we aren't kinder garden kids to be treated this way.

EHS related to air emissions, GHG emissions, effluents, noise & hazardous waste management weren't properly prevented, minimized nor controlled.

Due to the lack of neutral, specialized, credible & accredited third party national air quality management framework, the client should consider the option of relying on an appropriate combination of using cleaner fuels & using more effective pollution controls (the client didn't & doesn't have the intent to do so).

The periodic reports should be provided by the client to the affected local communities & should describe the progress of implementation of the project action plans on issues that involves risks & impacts on local communities & on consultation & grievance mechanism issues & the frequency of these reports depends on the concerns of affected communities & not quarterly & not provided as per the local governor request (we never heard of such reports at all).

IFC PS#1-GN99 states that Information disclosure involves delivering information about the project to the Affected Communities and ensuring access to such information by other stakeholders. The information should be in appropriate language(s), and accessible and understandable to the various segments of the Affected Communities. For example, information can be made available house-by-house, in city halls, public libraries, in the local print media, over the radio, or in public meetings. (No periodic reports were published at all).

IFC PS#1-36 states that the client will provide periodic reports to the Affected Communities that describe progress with implementation of the project Action Plans on issues that involve ongoing risk to or impacts on Affected Communities and on issues that the consultation process or grievance mechanism have identified as a concern to those Communities.

IFC PS#1-Annex-B briefly describes what information will be disclosed, in what formats, and the types of methods that will be used to communicate this information to each of the stakeholder groups identified. Methods used may vary according to target audience, for example: Newspapers, posters, radio, television, Information centers and exhibitions or other visual displays, Brochures, leaflets, posters, summary documents reports.

IFC PS#4-GN3 states that when complex health or safety issues are involved, it may be appropriate for the client to engage external experts for a free-standing assessment, complementing the risks and impacts identification process. (No external or local experts were engaged at all).

4. Incomplete & unsatisfactory adoption of Environmental & Social Mitigation & Monitoring Program: (Absence of adopting of ESMMP as stated in the ESIA except for non-complete stack monitoring without involvement of local communities & occasional non-neutral water authority testing of effluents..see details below).

IFC PS#1-22 states that clients will consider involving representatives from Affected Communities to participate in monitoring activities. (the client denies the right of local affected communities' representatives involvement in the monitoring activities).

Client's ESIA states that a stack height of at least 70 m is therefore recommended for the Power Project to ensure compliance with World Bank / IFC Guideline for NO₂. (Is the real height of IPP 4 stacks 70 or 50m??).

Client's ESIA states that The World Bank / IFC Guidelines have been used as they are more stringent than the Jordanian Standards for ambient air quality. (IFC guidelines should be applied).

ESMMP should include the engagement of local affected communities representatives in all processes related to social & environmental after training them. (not accomplished by the client).

The client claims that they test the fuel used in the plant every month & it complies with IFC standards & guidelines & the truth is that the fuel used in IPP 4 sulfur, ash & carbon content way above the allowed IFC levels.

The client is conducting the stacks monitoring so the client is acting as the criminal & judge at the same time & we don't trust the polluter to do that & the client stated in it's ESIA that they monitor NO₂, CO, O₂ & never mentioned monitoring SO₂, PM_{2.5}, PM₁₀, O₃, H₂S, ... & they refuse to

involve the victim (us) to be involved in this testing.

Client's ESIA 6.2.71 states that whilst the design of the Power Project allows for the reservation of development area for the installation of FGD equipment, it is considered that the primary method for the control of SO₂ emissions (from any thermal power plant) is to reduce the sulphur content of the fuel. (this is not done at all as fuel sulfur content exceeds 6%).

RSS prepared ESIA & M.O.Env approved it & the government is severely protecting the client & provide the client with any test and report they may need which always complies with all needed standards & specs., therefore we the local affected communities don't trust the client nor the government authorities including RSS, therefore we insist that a neutral, specialized, credible & accredited third party should perform all kinds of monitoring, inspections & audits with the effective involvement of trained qualified representatives from local affected communities & the client should bear the cost involved.

Continuous air pollution monitoring is required because the pollution emitted from IPP 4 is related to the type of the fuel used (which contains high levels of sulfur, ash & carbon that exceeds the IFC levels), the operation period of the plant, the pollution control equipment used in the plant (FGD & ESPs aren't used) & many other factors & it should be conducted by a neutral, specialized, credible & accredited third party with the effective involvement of trained qualified representatives from local affected communities & the client should bear the cost involved.

Continuous ambient air quality monitoring in the surrounding environment (Almanaker, Albaidah, Kashafiat Aldabaiba, Kashafiat Alshawabka, Alabdalia, Almadounah, Alalia, Abu Alanda) should also be conducted by a neutral, specialized, credible & accredited third party with the effective involvement of trained qualified representatives from local affected communities & the client should bear the cost involved.

The client claims that they request M.O.Env every six (6) months to conduct air pollution monitoring & M.O.Env forwards the request to (R.S.S) to accomplish the tests which are tailor-made to the interests of the client & is pre-prepared to comply with the highest international standards (RSS isn't neutral nor accredited or credible & the pre-known biased test gives the client the time required to use gas instead of HFO or DFO, reduce the operation hours to the absolute minimum & take all required steps & considerations to get acceptable compliant readings during the duration of the testing) while this monitoring should be continuous & conducted by a neutral, specialized, credible & accredited third party with the effective involvement of trained qualified representatives from local affected communities & the client should bear the cost involved.

IFC PS#3-12 states that the client should ascertain whether licensed disposal sites are being operated to acceptable standards and where they are, the client will use these sites (IPP 4 dispose hazardous waste & sludge in nearby agricultural lands which belongs to local communities & the client sells the contaminated oil to Known local contractors).

IFC PS#1-17 states sufficient management sponsorship and human and financial resources will be provided on an ongoing basis to achieve effective and continuous environmental and social performance (the client should bear the cost of the monitoring activities & any related tasks linked with it).

M.O.Env didn't make any effort to force the client to implement the required ESMMP as required in the ESIA as no continuous monitoring is accomplished except for the stack monitoring which is accomplished by the polluter without involvement of the local affected communities & it doesn't monitor all required pollutants & the client isn't neutral nor accredited or credible to do such task.

If the client complies with all environmental & social issues as they claim, why do they refuse the monitoring, inspection & auditing to be conducted by neutral, credible, specialized & accredited third party with the involvement of representatives from local affected communities & why does the client insist that all tests, monitoring, inspection and/or auditing is done through RSS and/or Ministry of Environment and/or Water Authority???

IFC PS#1-GN#30 states that Audits should be used to identify risks and impacts, and to evaluate the effectiveness of the management system in place, conformity with the Performance Standards, and regulatory compliance. Environmental and social audits should provide identification and quantification of environmental and social risks and impacts, including liability, in a systematic, documented and objective process. The audit should document the main environmental and social aspects associated with the asset (e.g., air emissions, wastewater effluents, hazardous waste generated, historical pollution and contaminated sites, land acquisition issues, occupational health and safety, public/community safety, labor management and standards, impacts on cultural resources, internal and external grievances, disputes), and identify the key environmental and social risks and impacts associated with the asset. The audit should also assess management and mitigation measures, and identify additional corrective actions required to ensure compliance. Improvement opportunities should be considered and identified, to include community development programs (the audit is pre-arranged between client & government & RSS & is tailor-made to be compliant & no need for any corrective measures).

IFC PS#1-19 states that for projects posing potentially significant adverse impacts or where

technically complex issues involved, clients may be required to involve external experts to assist in risks and impacts identification process. (the client claims that they are not required to accomplish the monitoring through third party & they insist to use RSS).

IFC PS#1-22 states that for projects with significant impacts, the client will retain external experts to verify its monitoring information.

IFC PS#1-23 states that the client will document monitoring results and identify and reflect the necessary corrective and preventive actions in the amended management program and plans. The client, in collaboration with appropriate and relevant third parties, will implement these corrective and preventive actions, and follow up on these actions in upcoming monitoring cycles to ensure their effectiveness.

IFC PS#1-85 states that the factors to be considered in establishing an environmental monitoring program typically include (but are not limited to) engineering estimates, environmental modeling, pollutant source (e.g., emissions to atmosphere, wastewater effluents, solid and hazardous waste), noise, ambient water quality and quantity (both surface and groundwater), air quality, and workplace contaminant measurements. The focus and extent of the monitoring should be commensurate with the risk of the pollutant releases as related to the sensitivity of the surrounding areas, taking into account the Affected Community's perception of risks to their health and environment resulting from the project. Appropriate processes should also be in place to ensure the reliability of data, such as calibration of instruments, testing of equipment, and software and hardware sampling (accredited laboratory). Specific environmental monitoring measures comprise the parameters to be measured, sampling and analytical methods to be used, sampling locations, frequency of measurements, detection limits (where appropriate), and the definition of thresholds that signal the need for corrective actions (the need for neutral specialized & accredited third party with involvement of representatives from local affected communities) .

IFC PS#1-86 states that the client should normally carry out the monitoring using competent professionals or other external experts (the client either conducts monitoring alone or through RSS or water authority & none of them are professionals or experts in this field), as part of its management system and programs. In certain cases (such as projects with potential significant adverse risks and impacts), due diligence conducted by financiers may result in the imposition of additional monitoring and/or verification of client monitoring (for example, as part of the supplemental action plan agreed with the client), including the appointment of qualified and experienced external experts to independently verify monitoring results. Participatory monitoring (i.e., involvement of Affected Communities) should be considered where appropriate (projects with potential significant adverse risks and impacts)..(the client refuses the idea of local communities involvement at all because the client is violating all standards). In these cases, the client should evaluate the capacity of those participating in the monitoring and provide periodic training and guidance as appropriate.

IFC PS#1-GN110 states that if the project is unable to solve a complaint (as the case of IPP4), it may be appropriate to enable complainants to have recourse to external experts or neutral parties (not done at all).

IFC PS#3-10 states that the client will avoid the release of pollutants or, when avoidance is not feasible, minimize and/or control the intensity and mass flow of their release. This applies to the release of pollutants to air, water, and land due to routine, non-routine, and accidental circumstances with the potential for local, regional, and trans boundary impacts.

IFC PS#3-GN29 & GN30 states that the client should monitor emissions. The frequency with which pollutant emissions are monitored should be appropriate to the nature, scale and variability of potential impacts. This may range from continuous to daily, monthly, annually, or less frequently.

Monitoring is particularly important for large projects with impacts that may be uncertain and potentially irreversible and consequently in need of more frequent evaluation of emissions levels or ambient quality. In addition, clients should include monitoring processes and indicators within their ESMS to alert them to significant increases in pollutant emissions or impacts on ambient conditions that may be an indicator of problems with manufacturing processes or pollution control equipment that could require corrective action.

5. Involvement of local affected communities & Stakeholders in ESMMP: (An arrangement between the client & the local governor was set up to appoint two persons from Almanaker village to represent the local affected communities in order to fulfill the interests of the client..see details below).

IFC PS#1-GN#6 states that an effective engagement process allows the views, interests and concerns of different stakeholders, particularly of the local communities directly affected by the project (Affected Communities), to be heard, understood, and taken into account in project decisions and creation of development benefits.(not biased)

IFC PS#1-22 states that clients will consider involving representatives from Affected Communities to participate in monitoring activities (the client refuses the involvement of local communities in the monitoring tasks).

IFC PS#1-GN86 states that participatory monitoring (i.e., involvement of Affected Communities) should be considered where appropriate (projects with potential significant adverse risks and

impacts). In these cases, the client should evaluate the capacity of those participating in the monitoring and provide periodic training and guidance as appropriate.

IFC PS#1-25 states that Stakeholder engagement (SEP) is an ongoing process that may involve, in varying degrees, the following elements: stakeholder analysis and planning, disclosure and dissemination of information, consultation and participation, grievance mechanism, and ongoing reporting to Affected Communities (not just formal as in IPP4 case). The nature, frequency, and level of effort of stakeholder engagement may vary considerably and will be commensurate with the project's risks and adverse impacts, and the project's phase of development.

IFC PS#1-GN93 states that if the process to identify risks and impacts indicates that there may be potential impacts and risks to the Affected Community, companies should seek early engagement with them (not done). Engagement should be based on the timely and effective dissemination of relevant project information, including the results of the process of identification of environmental and social risks and impacts and corresponding mitigation measures. (client ignores local affected communities completely & doesn't respect them or the human rights).

IFC PS#1-GN94 states that when applicable, and throughout the life of the project, clients should build upon the channels of communication and engagement with Affected Communities established during the risks and impacts identification process. In particular, clients should use the appropriate stakeholders engagement practices described in this Performance Standard to disclose information and receive feedback on the effectiveness of the implementation of the mitigation measures in the clients management system as well as the Affected Communities' on-going interests and concerns about the project. (the client ignores the local communities completely & only satisfies government authorities & certain people who really support the client & the client doesn't even permit local communities to enter the plants nor to be employed in the core work force & the client is very keen to make sure that no representative of the local affected communities is able to see their detail of work inside to hide their violations away from the local affected communities & stakeholders).

IFC PS#1-26 states that clients should identify the range of stakeholders that may be interested in their actions (not appointed by local governor to meet client's illegal interests) and consider how external communications might facilitate a dialog with all stakeholders. Where projects involve specifically identified physical elements, aspects and/or facilities that are likely to generate adverse environmental and social impacts to Affected Communities the client will identify the Affected Communities and will meet the relevant requirements.

IFC PS#1-27 states that the client will develop and implement a Stakeholder Engagement Plan (SEP) that is scaled to the project risks and impacts and development stage, and be tailored to the characteristics and interests of the Affected Communities (not client's illegal interests). Where applicable, SEP will include differentiated measures to allow the effective participation of those identified as disadvantaged or vulnerable. When the stakeholder engagement process depends substantially on community representatives, the client will make every reasonable effort to verify that such persons do in fact represent the views of Affected Communities (not to meet client's interests through appointed ineligible non-neutral persons) and that they can be relied upon to faithfully communicate the results of consultations to their constituents. (not specifically selected from local governor to suit the illegal interests of the client & to hide the severe violations).

IFC PS#1-GN95 states that stakeholders are defined as persons, groups or communities external to the core operations of a project who may be affected by the project or have interest in it (not just Almanaker population). This may include individuals, businesses, communities, local government authorities, local non-governmental and other institutions, and other interested or affected parties. Stakeholder identification broadly involves the determination of the various individuals, groups or communities who may have an interest in the project or who may affect or be affected by the project. The process of stakeholder identification includes distinct steps, including (i) identifying individuals, groups, local communities and other stakeholders that may be affected by the project, positively or negatively, and directly or indirectly, particularly those directly and adversely affected by project activities, including those who are disadvantaged or vulnerable (ii) identifying broader stakeholders who may be able to influence the outcome of the project because of their knowledge about the Affected Communities or political influence over them.

IFC PS#1-GN97 states that Clients with high-risk projects may need to identify and engage with other stakeholders, beyond those who will be directly affected by the project, such as local government officials, community leaders and civil society organizations, particularly those who work in or with the Affected Communities. While these groups may not be directly affected by the project, they may have the ability to influence or alter the relationship of the client with Affected Communities, and in addition may play a role in identifying risks, potential impacts and opportunities for the client to consider and address in the assessment process. (like Environmental Protection Societies as an NGOs).

When the stakeholder engagement process depends substantially on community representatives the client will make every reasonable effort to verify that such persons do in fact represent the views of Affected Communities and that they can be relied upon to faithfully communicate the results of

consultations to their constituents (not fulfill client's interests).

If the client complies with all environmental & social issues as they claim, why do they refuse the monitoring, inspection & auditing by neutral, credible, specialized & accredited third party with the involvement of representatives from local affected communities & why does the client insist that all tests, monitoring, inspection and/or auditing is done through RSS or Ministry of Environment and or Water Authority???

IFC PS#1-Annex-B states that key stakeholder groups who have the potential to influence project outcomes or company operations (examples of potential stakeholders are Affected Communities, local organizations, NGOs, and government authorities; stakeholders can also include politicians, other companies, labor unions, academics, religious groups, national environmental and social public sector agencies, and the media).

6. Fuel content Continuous Testing: (The client claims that monthly fuel tests are carried out & the fuel complies...this is not true at all)

The client complains that fuel compliance falls under NEPCO's responsibility !!! Does this mean that if NEPCO delivers fuel which doesn't comply with the required local & / or IFC standards whichever is more stringent, that the client will use this fuel regardless of its compliance & the blame will be on NEPCO (AES is the owner & operator of IPP 4 & should therefore make sure that everything should comply with the required standards & specifications & NEPCO is just a contractor who is responsible to provide IPP 4 with the required fuel & IPP 4 is the responsible party for compliance of the fuel used in the plant).

We need to see the fuel test reports & to know who performed the test (R.S.S or any government side is not acceptable. It should be a neutral credible specialized side with local communities involvement).

It should be continuous testing.

7. Continuous pollution emission monitoring program :

Continuous air pollution monitoring is required because the pollution emitted depends on the type of the fuel used, the operation period of the plant, the pollution control equipment used & other factors & it should be conducted by a neutral, specialized, credible & accredited third party with the effective involvement of trained qualified representatives from local affected communities & the client should bear the cost involved.

The client claimed that no third party is required to do this task!!!

- Neither R.S.S nor any other government authority is trustworthy to conduct any tests on behalf of IPP 4.
- Neither R.S.S nor any other organization in Jordan is accredited to conduct these tests as we are dealing with part of a billion accuracy.
- The local affected communities have the right to make sure that power plants comply with IFC & WHO standards as their health, lives & social position is at stake.

IFC PS#1-19 states that the process of identification of risks and impacts will consist of an adequate, accurate, and objective evaluation and presentation, prepared by competent professionals (no competent professionals in Jordan to accomplish air pollution emissions). For projects posing potentially significant adverse impacts or where technically complex issues are involved, clients may be required to involve external experts to assist in the risks and impacts identification process. (not accomplished & not acceptable to client & government).

IFC PS#1-22 states that for projects with significant impacts, the client will retain external experts to verify its monitoring information. The extent of monitoring should be commensurate with the project's environmental and social risks and impacts and with compliance requirements.

8. Continuous Stack emission monitoring program :

IFC ESIA 6.2.72 states that the stack will be fitted with continuous emissions monitors for NOx and O2. The measured values will be recorded and displayed both remotely and in the control room. (what about other pollutants??? Is client neutral or credible??? Why don't you involve local communities' representatives?? How can you act as judge & criminal???)

Representatives of local communities should be involved & the monitoring should be controlled & observed by neutral third party & local communities.

9. Continuous Ambient Air Quality Monitoring:

The client claims that there is an ambient air quality monitoring station continuously (24/7) monitors NOx, SO2, PM10.... This is a big lie because M.O.Env have some monitoring stations scattered in the Kingdom & there is only one station that is located in Sahab & non is located in the affected area (hot polluted area) of Almanaker, Albaida, Kashfiat Aldabaibah, Kashfiat Alshawabkah, Almadouna, Alalia, Alabdaliah or Abualanda which are the most severe polluted areas & these stations are operated by M.O.Env which isn't a neutral nor accredited entity & they didn't involve representatives from local affected communities & this is the client's responsibility.

Laboratories that are accredited to this international standard ISO /IEC 17025 have demonstrated that they are technically competent and able to produce precise and accurate test and/or calibration

data. Laboratory accreditation can only be granted by an accreditation body. Although there are a number of accreditation bodies in the US, customers should choose calibration and testing laboratories accredited. International Laboratory Accreditation Cooperation (ILAC) developed a standard for accreditation bodies: ISO/IEC 17011.

The client claimed that an independent third party is used to carry out the Ambient Air Quality testing (R.S.S) twice a year :

- R.S.S isn't a neutral entity as they accomplished ESIA & they are the client's sole contractor for all monitoring tasks.
- R.S.S isn't accredited to conduct such monitoring as M.O.Env. said that clearly.
- Ambient Air Quality should be Continuous Monitoring & not semi-annual because the pollution exists as long as the power plant is operating.

The client claimed that M.O.Env carried out an environmental audit for IPP 1 & IPP 4 covering waste management, water treatment, noise & emissions on 23/3/2015 & 12/4/2015 & found as usual that the client fulfills full compliance:

- M.O.Env is part of the problem & we don't trust them.
- In order to maintain transparency, impartiality & integrity, M.O.Env is in no position to do environmental audit (M.O.Env actually sent one person [REDACTED] to do inspection with no tools & he brought a CD prepared by the client).

Ambient Air Quality is a continuous monitoring task that should be conducted by a neutral, credible, specialized & accredited third party with the effective involvement of trained qualified representatives of local affected communities & the polluters should bear the cost incurred.

IFC PS#3-GN1 states that to avoid or minimize adverse impacts on human health and the environment by avoiding or minimizing pollution from project activities.

To achieve this objective, clients should take into account the potential impact of their activities on ambient conditions (such as ambient air quality) and seek to avoid or minimize these impacts within the context of the nature and significance of pollutants emitted (they don't even monitor ambient air quality on continuous basis). For Large projects with potentially significant emissions and/or high impacts, may require monitoring of impacts on the surrounding environment (i.e., changes in ambient levels), in addition to the implementation of control measures.

IFC PS#3-GN36 states that If the ambient levels exceed the relevant ambient quality guidelines or standards (i.e., ambient conditions are already deteriorated), clients are expected to demonstrate that they have explored and, if necessary, adopted a higher level of performance than would be otherwise required under less deteriorated ambient conditions as well as further mitigation measures (e.g., offsetting emissions) in order to minimize further deterioration of the environment or preferably to achieve improvement.

Continuous ambient air quality monitoring in the surrounding environment (Almanaker, Albaidah, Kashafiat Aldabaiba, Kashafiat Alshawabka, Alabdalia, Almadounah, Alalia, Abu Alanda) should also be conducted by a neutral, specialized, credible & accredited third party with the effective involvement of trained qualified representatives from local affected communities & the client should bear the cost involved.

10. Noise Monitoring :

Noise Monitoring should be conducted by a neutral, specialized, credible & accredited third party with involvement of qualified trained representatives from local affected communities in sensitive places.

Nearby houses suffer from cracks & people suffer from disturbance & discomfort (you can ask unbiased people).

Noise Monitoring shouldn't be conducted by the client and or the government authorities or R.S.S as none of them is neutral or credible & accredited.

11. Continuous Effluents Monitoring:

Client's ESIA6.3.41 states that a suitably qualified Licensed Contractor will dispose of all sludge off-site. In addition, any waste oils will be removed by a Licensed Contractor and disposed of at an appropriate disposal site in the event that the oil cannot be recovered / reused / recycled. (oil is sold to local contractors & others are disposed to nearby lands)

Effluents parameters should be continuously tested & monitored by specialized, neutral, credible & accredited third part with the involvement of trained qualified representatives from local affected communities & not through biased government authorities like Jordanian Water Authority.

12. Management & Disposal of Hazardous Waste :

IFC PS#3-12 states that the client will avoid the generation of hazardous and non-hazardous waste materials. Where waste generation cannot be avoided, the client will reduce the generation of waste, and recover and reuse waste in a manner that is safe for human health and the environment. Where waste cannot be recovered or reused, the client will treat, destroy, or dispose of it in an

environmentally sound manner that includes the appropriate control of emissions and residues resulting from the handling and processing of the waste material (some sold & some disposed in agricultural lands by non-licensed contractors). If the generated waste is considered hazardous, the client will adopt GIIP alternatives for its environmentally sound disposal while adhering to the limitations applicable to its trans boundary movement. When hazardous waste disposal is conducted by third parties, the client will use contractors that are reputable and legitimate enterprises licensed by the relevant government regulatory agencies and obtain chain of custody documentation to the final destination (no legitimate hazardous waste contractors are used by the client & the hazardous waste is disposed to agricultural lands and/or non-hazardous waste landfills or sold to local contractors like the oil case). The client should ascertain whether licensed disposal sites are being operated to acceptable standards and where they are, the client will use these sites.

13. Management & Disposal of Sludge & contaminated Oil :

Who is the licensed hazardous waste disposal company that IPP 4 claims to use & where are the manifests of disposed hazardous waste including solid and/or sludge and/or contaminated waste water?? This is not true at all !!!

Sludge oil is sold to contractors & contaminated sludge & water disposed in nearby agricultural lands which belongs to local communities or to non-licensed landfills in nearby land.

Sewage is transported by Amman Municipality waste trucks & not tested at Algabawi Waste Landfill to make sure that the sewage doesn't contain any hazardous waste.

Client's ESIA 6.3.41 states that a suitably qualified Licensed Contractor will dispose of all sludge off-site. In addition, any waste oils will be removed by a Licensed Contractor and disposed of at an appropriate disposal site in the event that the oil cannot be recovered / reused / recycled.

The client will avoid the generation of hazardous and non-hazardous waste materials. Where waste generation cannot be avoided, the client will reduce the generation of waste, and recover and reuse waste in a manner that is safe for human health and the environment. Where waste cannot be recovered or reused, the client will treat, destroy, or dispose of it in an environmentally sound manner that includes the appropriate control of emissions and residues resulting from the handling and processing of the waste material. If the generated waste is considered hazardous, the client will adopt GIIP alternatives for its environmentally sound disposal while adhering to the limitations applicable to its transboundary movement. When hazardous waste disposal is conducted by third parties, the client will use contractors that are reputable and legitimate enterprises licensed by the relevant government regulatory agencies and obtain chain of custody documentation to the final destination. The client should ascertain whether licensed disposal sites are being operated to acceptable standards and where they are, the client will use these sites. (the client through non-licensed contractors dispose the sludge, contaminated used water, effluents to agricultural nearby lands and/or non-hazardous & non-licensed landfills and/or sell contaminated oil).

Who is the licensed hazardous waste disposal company that IPP 4 use & where are the manifests of disposed hazardous waste including solid and/or sludge and/or contaminated waste water???

14. Emission Control Measures :

Did the client install FGD to reduce the level of SO₂ emissions or did they use HFO or DFO with sulfur content that complies with IFC standards???

Did the client install Fabric Filters/ESPs to reduce level of PM emissions or did they use HFO or DFO with Ash & carbon content that complies with IFC standards???

15. Odor Monitoring :

No Odor monitoring is accomplished by the client.

16. Plant Emergency & preparedness & response report & engagement of local affected communities:

We have never heard of any drills carried out by the client as they claim & even the power plant site is actually a forbidden area for the local affected communities to even come close to.

The drill the client claimed to have conducted isn't a show business & it is the duty of the client, the responders & the local communities after training them to respond in case of emergency.

Liaison Officer is required for all of these communications & grievances to be selected from the local affected communities & must be qualified & eligible person.

IFC SP#1-20 states that Where the project involves specifically identified physical elements, aspects and facilities that are likely to generate impacts, the ESMS will establish and maintain an emergency preparedness and response system so that the client, in collaboration with appropriate and relevant third parties, will be prepared to respond to accidental and emergency situations associated with the project in a manner appropriate to prevent and mitigate any harm to people and/or the environment. This preparation will include the identification of areas where accidents and emergency situations may occur, communities and individuals that may be impacted, response procedures, provision of equipment and resources, designation of responsibilities, communication, including that with potentially Affected Communities and periodic training to ensure effective response. (not adopted at all).

IFC PS1#-21 states that The client will also assist and collaborate with the potentially Affected

Communities and the local government agencies in their preparations to respond effectively to emergency situations, especially when their participation and collaboration are necessary to ensure effective response. If local government agencies have little or no capacity to respond effectively, the client will play an active role in preparing for and responding to emergencies associated with the project. The client will document its emergency preparedness and response activities, resources, and responsibilities, and will provide appropriate information to potentially Affected Community and relevant government agencies. (None is accomplished)

IFC PS#4-11 states that the client will also assist and collaborate with the Affected Communities, local government agencies, and other relevant parties, in their preparations to respond effectively to emergency situations, especially when their participation and collaboration are necessary to respond to such emergency situations. If local government agencies have little or no capacity to respond effectively, the client will play an active role in preparing for and responding to emergencies associated with the project. The client will document its emergency preparedness and response activities, resources, and responsibilities, and will disclose appropriate information to Affected Communities, relevant government agencies, or other relevant parties.

IFC SP#4-GN23 states that Clients should consider including the Affected Community and other stakeholders in regular training exercises (e.g., simulations, drills, and debriefs of exercises and actual events) to familiarize them with proper procedures in the event of an emergency. Emergency plans should address the following aspects of emergency response and preparedness.

17. Free, Prior, Informed Consent (FPIC) : (The claims that FPIC isn't applicable for IPP4 as NEPCO is the landowner of the site...see details below).

IFC PS#1-32 states that For projects with adverse impacts to Indigenous Peoples, the client is required to engage them in a process of ICP and in certain circumstances the client is required to obtain their Free, Prior, and Informed Consent (FPIC).

IFC-PS7-GN30 states that Similarly, there may be situations where likely project scope and location are known, but where the engagement process with Affected Communities of Indigenous Peoples is not yet sufficiently advanced to have obtained FPIC at the time of project approval. In such cases the overall principles and engagement process, and criteria for obtaining FPIC, should be agreed on before project approval. As a minimum FPIC should be obtained prior to any of the circumstances requiring FPIC taking place.

At times, the assessment and management of certain environmental and social risks and impacts may be the responsibility of the government or other third parties over which the client does not have control or influence. Examples of where this may happen include: (ii) when specific actions directly related to the project are carried out by the government or third parties such as providing land for a project which may have previously involved the resettlement of communities or individuals and/or leading to loss of biodiversity. While the client cannot control these government or third party actions, an effective ESMS should identify the different entities involved and the roles they play, the corresponding risks they present to the client, and opportunities to collaborate with these third parties in order to help achieve environmental and social outcomes that are consistent with the Performance Standards.

Affected Communities of Indigenous Peoples may be particularly vulnerable to the loss of, alienation from or exploitation of their land and access to natural and cultural resources.⁵ In recognition of this vulnerability, in addition to the General Requirements of this Performance Standard, the client will obtain the FPIC of the Affected Communities of Indigenous Peoples in the following circumstances:

- When Indigenous Peoples are closely tied to their lands and related natural resources (IFC-SP7-13).
- If the client proposes to locate a project on, or commercially develop natural resources on lands traditionally owned by, or under the customary use of, Indigenous Peoples, and adverse impacts can be expected.
- The client will consider feasible alternative project designs to avoid the relocation of Indigenous Peoples from communally held lands and natural resources subject to traditional ownership or under customary use. If such relocation is unavoidable the client will not proceed with the project unless FPIC has been obtained.
- Where significant project impacts on critical cultural heritage are unavoidable, the client will obtain the FPIC of the Affected Communities of Indigenous Peoples.
- Where a project proposes to use the cultural heritage including knowledge, innovations, or practices of Indigenous Peoples for commercial purposes, the client will obtain their FPIC.

IFC PS#7-11 states that Affected Communities of Indigenous Peoples may be particularly vulnerable to the loss of, alienation from or exploitation of their land and access to natural and cultural resources. In recognition of this vulnerability, in addition to the General Requirements of this Performance Standard, the client will obtain the FPIC of the Affected Communities of Indigenous Peoples in the circumstances. FPIC applies to project design, implementation, and expected outcomes related to impacts affecting the communities of Indigenous Peoples. When any of these circumstances apply, the client will engage external experts to assist in the identification of the project

risks and impacts.

IFC PS#1-30 states that When Affected Communities are subject to identified risks and adverse impacts from a project, the client will undertake a process of consultation in a manner that provides the Affected Communities with opportunities to express their views on project risks, impacts and mitigation measures, and allows the client to consider and respond to them. The extent and degree of engagement required by the consultation process should be commensurate with the project's risks and adverse impacts and with the concerns raised by the Affected Communities. Effective consultation is a two-way process that should: begin early in the process of identification of environmental and social risks and impacts and continue on an ongoing basis as risks and impacts arise; focus inclusive engagement on those directly affected as opposed to those not directly affected; be free of external manipulation, interference, coercion, or intimidation; enable meaningful participation, where applicable; and be documented. The client will tailor its consultation process to the needs of disadvantaged or vulnerable groups.

IFC PS#1-31 states that for projects with potentially significant adverse impacts on Affected Communities, the client will conduct an Informed Consultation and Participation (ICP) process that will build upon the steps outlined above in Consultation and will result in the Affected Communities' informed participation. ICP involves a more in-depth exchange of views and information, and an organized and iterative consultation, leading to the client's incorporating into their decision-making process the views of the Affected Communities (which wasn't considered by the client) on matters that affect them directly, such as the proposed mitigation measures, the sharing of development benefits and opportunities, and implementation issues. The consultation process should (i) capture both men's and women's views, if necessary through separate forums or engagements, and (ii) reflect men's and women's different concerns and priorities about impacts, mitigation mechanisms, and benefits, where appropriate.

IFC PS#7-10 states that the client will undertake an engagement process with the Affected Communities of Indigenous Peoples as required in Performance Standard 1. This engagement process includes stakeholder analysis and engagement planning, disclosure of information, consultation, and participation, in a culturally appropriate manner.

IFC PS#7-GN25 states that FPIC comprises a process and an outcome. The process builds upon the requirements for ICP (which include requirements for free, prior and informed consultation and participation) and additionally requires Good Faith Negotiation (GFN) between the client and Affected Communities of Indigenous Peoples. GFN involves on the part of all parties: (i) willingness to engage in a process and availability to meet at reasonable times and frequency; (ii) provision of information necessary for informed negotiation; (iii) exploration of key issues of importance; (iv) use of mutually acceptable procedures for negotiation; (v) willingness to change initial position and modify offers where possible; and (vi) provision of sufficient time for decision making. The outcome, where the GFN process is successful, is an agreement and evidence thereof.

IFC PS#7-GN51 states that where benefit sharing is envisioned, benefits should be determined on mutually agreed terms as part of the process of securing FPIC. Benefits may include, for example, development benefits in the form of employment, vocational training, and benefits pursuant to community development and similar programs as well as from the making, marketing and licensing of some forms of traditional cultural expression.

18. Use of PCB (Polychlorinated biphenyl), Ammonia (NH₃), Hydrazine(N₂H₄) & Adenosine Tri-Phosphate (ATP): (the client avoids to involve the local affected communities' contractors in the supply, services and procurement for IPP4).

IFC PS#3-GN43 states that the best way to prevent the release of hazardous materials is to avoid using them in the first place. Therefore clients should explore opportunities throughout the project life-cycle to use non-hazardous materials in place of hazardous materials.

Client's ESIA 4.1.27 states that In addition to the oil storage, storage facilities will also be provided for the small quantities of chemicals (including sodium phosphate, hydrazine, ammonia/urea and others) used in boiler water dosing. All such chemicals will be retained in suitable containment areas.

Client's ESIA 6.4.30 states that Transformers are sealed units, with negligible leakages. The transformer oils will not contain polychlorinated biphenyls (PCBs).

19. Employment & Training of skilled & unskilled personal from local affected people: (The client Deliberately refuses to hire or employ people in the local affected communities in the core workforce to keep them away from discovering their severe violations).

The client doesn't employ any key employees deliberately in the core work force of the plant because the client needs to keep their severe violations hidden away from local affected communities.

Where the project involves specifically identified physical elements, aspects and facilities that are likely to generate impacts, and as part of the process of identifying risks and impacts, the client will identify individuals and groups that may be directly and differentially or disproportionately affected by the project because of their disadvantaged or vulnerable status. Where individuals or groups are

identified as disadvantaged or vulnerable, the client will propose and implement differentiated measures so that adverse impacts do not fall disproportionately on them and they are not disadvantaged in sharing development benefits and opportunities. (local affected communities are not advantaged of any development benefits or opportunities & that is limited to senior project engineers).

IFC PS#1-GN#46 states that Companies should be mindful that agreements they negotiate with host governments, concessions, and similar entities not be drafted in a way that could interfere with the human rights of parties potentially affected by the project and the state's bona fide efforts to meet its human rights obligations. States fulfill their human rights obligations in part by passing and enforcing laws.

IFC PS#1-GN#48 states that vulnerable or disadvantaged individuals and groups should be able to benefit from project opportunities equally with the rest of the Affected Communities; this may require that differentiated benefit-sharing processes and levels (such as providing training for individuals or groups who might lack the necessary skills to find a job with the project, ensuring access to medical treatments for medical conditions resulting from the projects, etc.) are available.

IFC PS#2-GN41 states that discrimination in employment is defined as any distinction, exclusion, or preference with respect to recruitment, hiring, firing, working conditions, or terms of employment made on the basis of personal characteristics unrelated to inherent job requirements that nullifies or impairs equality of opportunity or treatment in employment or occupation. (client discriminate in employment when it comes to local communities representatives as they refuse to employ any person from local affected communities in their core workforce & even they grant subcontracts to contractors who don't belong to local affected communities & force them not to employ candidates from local affected communities).

IFC PS#5-GN9 states that compensation alone does not guarantee the restoration or improvement of the livelihoods and social welfare of displaced households and communities. Restoration and improvement of livelihoods often may include many interconnected assets such as as well as employment, and capital.

IFC PS#5-9 states that the client will also provide opportunities to displaced communities and persons to derive appropriate development benefits from the project.

IFC PS#5-10 states that the client will engage with Affected Communities, including host communities, through the process of stakeholder engagement described in Performance Standard 1. Decision-making processes related to resettlement and livelihood restoration should include options and alternatives, where applicable. Disclosure of relevant information and participation of Affected Communities and persons will continue during the planning, implementation, monitoring, and evaluation of compensation payments, livelihood restoration activities, and resettlement to achieve outcomes that are consistent with the objectives of this Performance Standard.

IFC PS#5-GN39 states that Resettlement planning and implementation should focus on, at a minimum, restoration of people's livelihoods; no net loss in employment among affected households as a result of resettlement (i.e., finding or creating employment opportunities where necessary); improving affected persons' housing and access to social services such as education and healthcare.

IFC-SP5-GN50...Resettlement sites should be selected for locational advantage in terms of availability of basic services and employment opportunities that enable the displaced persons to improve or at least restore their livelihoods and standards of living.

IFC-SP5-28...If circumstances prevent the client from providing land or similar resources as described above, alternative income earning opportunities may be provided, such as credit facilities, training, cash, or employment opportunities.

IFC-SP7-GN59...The client may also look for opportunities to support existing programs tailored to deliver development benefits to Indigenous Peoples, such as bilingual educational programs, maternal, and child health and nutrition programs, employment generation activities.

IFC PS#7-2 states that private sector projects can create opportunities for Indigenous Peoples to participate in, and benefit from project-related activities that may help them fulfill their aspiration for economic and social development. Furthermore, Indigenous Peoples may play a role in sustainable development by promoting and managing activities and enterprises as partners in development.

IFC PS#7-GN51 states that Where benefit sharing is envisioned, benefits should be determined on mutually agreed terms as part of the process of securing FPIC. Benefits may include, for example, development benefits in the form of employment, vocational training, and benefits pursuant to community development

IFC PS#7-20 states that various factors including, but not limited to, the nature of the project, the project context and the vulnerability of the Affected Communities of Indigenous Peoples will determine how these communities should benefit from the project. Identified opportunities should aim to address the goals and preferences of the Indigenous Peoples including improving their standard of living and livelihoods.

Client's ESIA states that During operation, the Power Project is expected to create permanent and

temporary jobs for both skilled and non-skilled workers.

Client's ESIA 6.8.1 states that the main objective of the socio-economic impact assessment is to evaluate the long term effects that are expected from activities relating to the Power Project, and investigate how the Power Project would change the quality of life of current and future residents of communities in the area.

ESIA 6.8.9 states that the mitigation measures and monitoring programmes relating to operation are those associated with:

- *Employment and Training / Availability of Benefit Packages for Employees:* The Power Project is expected to create permanent and temporary jobs for both skilled and non-skilled workers. Therefore it is highly recommended that, wherever possible, the Consortium gives priority to the local community (i.e. Al-Manakher and then the Sahab District).

In order to make the local employment more successful it is possible that AES will arrange (in cooperation with the Vocational Training Centre in the Amman Governorate) to help create adequate training so that a larger percentage of the local population has the basic qualifications needed for the Power Project.

The job application procedure should be established according to an approved set of criteria (i.e. such as those relating to appropriate qualifications).

20. *Preferential Treatment of local companies with competitive rate prices for plants services & procurements* (the client deliberately deals with certain contractors through senior project engineers for all procurement &/or services needed for the plant & they rule out all local affected communities' contractors & they don't even announce these tenders on public in transparent way).

IFC PS#7-GN51 states that where benefit sharing is envisioned, benefits should be determined on mutually agreed terms as part of the process of securing FPIC. Benefits may include, for example, development benefits in the form of employment, vocational training, and benefits pursuant to community development and similar programs as well as from the making, marketing and licensing of some forms of traditional cultural expression.

IFC PS#7-20 states that various factors including, but not limited to, the nature of the project, the project context and the vulnerability of the Affected Communities of Indigenous Peoples will determine how these communities should benefit from the project. Identified opportunities should aim to address the goals and preferences of the Indigenous Peoples including improving their standard of living and livelihoods in a culturally appropriate manner, and to foster the long-term sustainability of the natural resources on which they depend.

IFC ESIA 6.8.9 states that The Consortium should give priority for a Local Contractor to provide construction personnel with suitable transport / other services on a competitive rates basis.

21. *Support & Development to local affected people & the surrounding affected environment:* (No real support is given to local affected communities a part of very few non-related to development donations for the purpose of pleasing some people & decision makers).

IFC PS#7-GN51 states that Where benefit sharing is envisioned, benefits should be determined on mutually agreed terms as part of the process of securing FPIC. Benefits may include, for example, development benefits in the form of employment, vocational training, and benefits pursuant to community development.

IFC PS#7-18 states that the client and the Affected Communities of Indigenous Peoples will identify mitigation measures in alignment with the mitigation hierarchy described in Performance Standard 1 as well as opportunities for culturally appropriate and sustainable development benefits. The client will ensure the timely and equitable delivery of agreed measures to the Affected Communities of Indigenous Peoples.

IFC PS#7-20 states that various factors including, but not limited to, the nature of the project, the project context and the vulnerability of the Affected Communities of Indigenous Peoples will determine how these communities should benefit from the project. Identified opportunities should aim to address the goals and preferences of the Indigenous Peoples including improving their standard of living and livelihoods in a culturally appropriate manner, and to foster the long-term sustainability of the natural resources on which they depend.

IFC ESIA 6.8.9 states that It is recommended that AES study the needs of the local community, and continue to provide support. (I think the client is still studying the needs of local affected communities & might complete the study after 25 years).

22. *Indigenous people compensation:*

IFC PS#1-32 states that For projects with adverse impacts to Indigenous Peoples, the client is required to engage them in a process of ICP and in certain circumstances the client is required to obtain their Free, Prior, and Informed Consent (FPIC).

IFC PS#5-1 states that Performance Standard 5 recognizes that project-related land acquisition and restrictions on land use can have adverse impacts on communities and persons that use this land. Involuntary resettlement refers both to physical displacement and to economic displacement as

a result of project-related land acquisition and/or restrictions on land use.

IFC PS#5-2 states that experience demonstrates that the direct involvement of the client in resettlement activities can result in more cost-effective, efficient, and timely implementation of those activities, as well as in the introduction of innovative approaches to improving the livelihoods of those affected by resettlement.

IFC PS#5-GN3 states that The loss of access to common property resources and natural resources is an important consideration when evaluating a project's impacts on affected communities' and households' livelihoods. The types of assets to which access might be lost could include, but are not limited to, pasture, agriculture. Whilst these resources are, by definition, not owned by individual households, access to them is often a key component of affected households' livelihoods, without which they will likely face the risk of project-induced impoverishment.

IFC PS#5-GN9 states that all categories of affected households and communities should be consulted, whether individually or through representative sampling if the numbers are large, and particular attention should be paid to vulnerable groups. In addition, clients should ensure all households and communities are informed early in the planning process about their options and rights regarding displacement and compensation. Affected households and communities should also have the opportunity for informed participation in key phases of resettlement planning so that the mitigation of adverse project impacts is appropriate and the potential benefits of resettlement are sustainable.

IFC PS#5-GN11 states that Compensation alone does not guarantee the restoration or improvement of the livelihoods and social welfare of displaced households and communities. Restoration and improvement of livelihoods often may include many interconnected assets such as as well as employment, and capital. Major challenges associated with rural resettlement include restoring livelihoods based on land or natural resource use and the need to avoid compromising the social or cultural continuity of Affected Communities, including the host communities.

IFC PS#5-10 states that the client will engage with Affected Communities, including host communities, through the process of stakeholder engagement described in Performance Standard 1. Decision-making processes related to resettlement and livelihood restoration should include options and alternatives, where applicable. Disclosure of relevant information and participation of Affected Communities and persons will continue during the planning, implementation, monitoring, and evaluation of compensation payments, livelihood restoration activities, and resettlement to achieve outcomes that are consistent with the objectives of this Performance Standard.

IFC PS#5-25 states that In the case of projects involving economic displacement only, the client will develop a Livelihood Restoration Plan to compensate affected persons and/or communities and offer other assistance that meet the objectives of this Performance Standard. The Livelihood Restoration Plan will establish the entitlements of affected persons and/or communities and will ensure that these are provided in a transparent, consistent, and equitable manner. The mitigation of economic displacement will be considered complete when affected persons or communities have received compensation and other assistance according to the requirements of the Livelihood Restoration Plan and this Performance Standard, and are deemed to have been provided with adequate opportunity to reestablish their livelihoods.

IFC PS#7-1 states that Performance Standard 7 recognizes that Indigenous Peoples, as social groups with identities that are distinct from mainstream groups in national societies, are often among the most marginalized and vulnerable segments of the population. In many cases, their economic, social, and legal status limits their capacity to defend their rights to, and interests in, lands and natural and cultural resources, and may restrict their ability to participate in and benefit from development. Indigenous Peoples are particularly vulnerable if their lands and resources are transformed, encroached upon, or significantly degraded. As a consequence, Indigenous Peoples may be more vulnerable to the adverse impacts associated with project development than non-indigenous communities.

IFC PS#7-2 states that Private sector projects can create opportunities for Indigenous Peoples to participate in, and benefit from project-related activities that may help them fulfill their aspiration for economic and social development

IFC PS#7-2 states that the objective of PS#7 is to promote sustainable development benefits and opportunities for Indigenous Peoples in a culturally appropriate manner & to establish and maintain an ongoing relationship based on informed consultation and participation with the Indigenous Peoples affected by a project throughout the project's life-cycle & to ensure the Free, Prior, and Informed Consent (FPIC) of the Affected Communities of Indigenous Peoples when the circumstances described in this Performance Standard are present.

IFC PS#7-8 states that The client will identify, through an environmental and social risks and impacts assessment process, all communities of Indigenous Peoples within the project area of influence who may be affected by the project, as well as the nature and degree of the expected direct and indirect economic, social, cultural and environmental impacts on them.

IFC PS#7-9 states that adverse impacts on Affected Communities of Indigenous Peoples should be

avoided where possible. Where alternatives have been explored and adverse impacts are unavoidable, the client will minimize, restore, and/or compensate for these impacts in a culturally appropriate manner commensurate with the nature and scale of such impacts and the vulnerability of the Affected Communities of Indigenous Peoples. The client's proposed actions will be developed with the informed consultation and participation of the Affected Communities of Indigenous Peoples and contained in a time-bound plan, such as an Indigenous Peoples Plan, or a broader community development plan with separate components for Indigenous Peoples.

IFC PS#7-18 states that The client and the Affected Communities of Indigenous Peoples will identify mitigation measures in alignment with the mitigation hierarchy described in Performance Standard 1 as well as opportunities for culturally appropriate and sustainable development benefits. The client will ensure the timely and equitable delivery of agreed measures to the Affected Communities of Indigenous Peoples.

IFC PS#7-20 states that various factors including, but not limited to, the nature of the project, the project context and the vulnerability of the Affected Communities of Indigenous Peoples will determine how these communities should benefit from the project. Identified opportunities should aim to address the goals and preferences of the Indigenous Peoples including improving their standard of living and livelihoods in a culturally appropriate manner, and to foster the long-term sustainability of the natural resources on which they depend.

23. General:

IFC PS#1-3 states that Business should respect human rights, which means to avoid infringing on the human rights of others and address adverse human rights impacts business may cause or contribute to.

IFC PS#1 states that to ensure that grievances from Affected Communities and external communications from other stakeholders are responded to and managed appropriately.

IFC PS#1 states that to promote and provide means for adequate engagement with Affected Communities throughout the project cycle on issues that could potentially affect them and to ensure that relevant environmental and social information is disclosed and disseminated.

IFC PS#1-6 states that The client's policy provides a framework for the environmental and social assessment and management process, and specifies that the project will comply with the applicable laws and regulations of the jurisdictions in which it is being undertaken, including those laws implementing host country obligations under international law. The policy should be consistent with the principles of IFC Performance Standards.

IFC PS#1-GN#46 states that Companies should be mindful that agreements they negotiate with host governments, concessions, and similar entities not be drafted in a way that could interfere with the human rights of parties potentially affected by the project and the state's bona fide efforts to meet its human rights obligations. States fulfill their human rights obligations in part by passing and enforcing laws. When negotiating stabilization clauses in these contracts, companies should not propose to impose economic or other penalties on the State in the event that the State introduces laws that are of general application and reflect international good practice in areas such as health, safety, labor, the environment, security, non-discrimination, and other areas that concern business and human rights.

IFC PS#1-3 states that Contractors retained by, or acting on behalf of the client(s) (NEPCO, R.S.S, M.O.Env), are considered to be under direct control of the client and not considered third parties for the purposes of this Performance Standard 1.

IFC PS#1 states that when host country regulations differ from the levels and measures presented in the EHS Guidelines, projects are expected to achieve whichever is more stringent.

Have you contacted the EBRD to try to resolve the harm caused or expected to be caused by the Project?

Yes

If yes, please list when the contact was made, how and with whom

many e-mails were sent since early May/2015. [REDACTED] Director Power & Energy Utilities.
[REDACTED] Principal Banker, Power & Energy Utilities. [REDACTED]

Please also describe any response you may have received

Just copying the client's false justifications without real investigations of the problems. all correspondences are with the

Have you contacted the Project Sponsor to try to resolve the harm caused or expected to be caused by the Project?

Yes

If yes, please list when the contact was made, how and with whom

since May 2015 till 29/07/2015 through e-mails & meeting. [REDACTED]

Please also describe any response you may have received.

As said above

If you have not contacted the EBRD and/or Project Sponsor to try to resolve the harm or expected harm, please explain why.

We have contacted EBRD & the client many times.

If you believe the EBRD may have failed to comply with its own policies, please describe which EBRD policies.

EBRD just took the client's false justifications, copied it & sent it to us without investigating the client's severe violations in all aspects. We believe that EBRD will assess & review our complaints & they act transparent & accountable & respect human rights any where in the world.

Please describe any other complaints you may have made to try to address the issue(s) at question (for example, court cases or complaints to other bodies).

all complaints are included as shown above & had been sent to EBRD since early May/2015 & we met with your representatives on 29/07/2015 at EBRD offices in Jordan & they asked us to send the complaint via the electronic form.

Are you seeking a Compliance Review where the PCM would determine whether the EBRD has failed to comply with its Relevant Policies?

Yes

Are you seeking a Problem-solving Initiative where the PCM would help you to resolve a dispute or problem with the Project?

Yes

What results do you hope to achieve by submitting this Complaint to the PCM?

The client should implement ESMMP through out the operation phase to comply with IFC standard performance & with involvement of the local affected communities as required by IFC standards & take the required corrective environmental & social measures to solve these impacts.

Annex 2: Bank Management Response

Project	Jordan: IPP4 Al-Manakher Power Project OpID – 44284
Project Team	Operation Leader: [REDACTED] Office of the General Council (Banking): [REDACTED] Environment and Sustainability: [REDACTED] [REDACTED]
To: PCM Officer	[REDACTED]
Via: VP Risk	[REDACTED]
From: Managing Director, Environment and Sustainability Director, Power & Energy Utilities	[REDACTED] [REDACTED]
Date of issue to PCM Officer	1 October 2015

1. INTRODUCTION

The project involves the construction and operation of a 240 MW peaking power plant in Jordan, near Al Manakher village, 15 km east of Amman. The power plant comprises 16 reciprocating engines, each with a capacity of 15 MW (the “Project”, DTM OpID 44284). The plant is owned by AES Levant Holdings B.V/ Jordan (the “Project Company”) which is ultimately owned 60% by AES Corporation (“AES”) of the US and Mitsui and Co. Ltd (“Mitsui”) of Japan (together, the “Sponsors”). A complaint (2015/02) concerning the Project was received from Engineer Farhan Isaa Ahmed Al-Daboubi (“Eng. Daboubi”), Chair of the East Amman Society for Environmental Protection (“EASEP”) by the Project Complaint Mechanism (“PCM”) Officer by email on 3 August (the “Complaint”). The Complaint was registered according to 2014 PCM Rules of Procedures on 11 August 2015. This document is the “Bank Management Response” to the Complaint as foreseen in PCM: Rules of Procedures (Clause 19).

The Complaint is very wide-ranging and raises concerns regarding many aspects of the Project. It alleges defects in the identification and treatment of affected communities and in the implementation of the stakeholder engagement plan and project grievance mechanism. It raises concerns about the adequacy and implementation of the Environmental and Social Mitigation and Monitoring Plan (“ESMMP”) as well as the environmental performance of the plant and alleges non-compliance with fuel quality, emissions, air quality, noise, odour and waste disposal rules. It also alleges deficiencies regarding employment practices and treatment of indigenous peoples.

The Project was approved by the EBRD Board of Directors on 3 October 2012 and is subject to the 2008 Environmental and Social Policy. Section 2 of this Bank Management Response provides a

summary of the Management Response, Section 3 provides an overview of the Project setting and its related components, and Section 4 responds to the particular points made in the Complaint.

2. SUMMARY OF MANAGEMENT RESPONSE

The Project is structured to comply with the requirements of the 2008 Environmental and Social Policy that are applicable to an EBRD category A project and applicable EBRD Performance Requirements (“PRs”). Since the Project is also financed by the US Overseas Private Investment Corporation (“OPIC”) as a parallel lender it is also structured to comply with World Bank/IFC (“WB/IFC”) Performance Standards (“PS”), World Bank Guidelines, OPIC’s Consolidated Environmental and Social Policy Statement and also with guidelines prescribed by Jordanian law (together with EBRD’s 2008 Environmental and Social Policy, the “Applicable Standards”). EBRD and OPIC (together, the “Lenders”) worked jointly on the Environmental and Social Due Diligence (“ESDD”) and an independent technical and reputable engineering and environmental consulting firm (the “Independent Engineer”) was retained by the Lenders to undertake detailed technical and ESDD of the IPP4 plant, as well as the adjacent IPP1 plant which had been financed previously by OPIC. ESDD was supplemented by site visits and additional assessment made by the Bank’s environmental and social experts. Several gaps in the Environmental and Social Impact Assessment (“ESIA”) were identified and addressed through the preparation of a Non-Technical Summary (“NTS”) and Stakeholder Engagement Plan (“SEP”), together with updates to the original Environmental and Social Management and Monitoring Plan (“ESMMP”) to comply with the Bank’s PRs. At the request of the Bank, the Project Company has also carried out additional noise monitoring at two receptor locations, as well as 6 months’ of additional air quality monitoring using a second mobile monitoring unit. Both of these programmes indicate compliance with the Applicable Standards.

The Bank has been closely monitoring both the construction (from February 2013 to July 2014) and operational phases (since July 2014) of the plant. The Bank received detailed monthly reports during construction and now receives quarterly reports during the operational phase from the Project Company. All of these reports have been reviewed and reported on separately by the Independent Engineer. The Bank also carries out regular site visits and meetings with the Project Company and also with representatives of the affected communities. The most recent site visit was undertaken in July 2015, following receipt of the original complaint from Eng. Daboubi and prior to the Complaint being registered under the PCM. The Bank undertook a face-to-face meeting with the complainant on 28 July and also arranged meetings with both liaison committees of the local Al Manakher village. The Independent Engineer attended the site visit and has been instructed by the lenders to carry out a comprehensive audit of the plant’s operations.

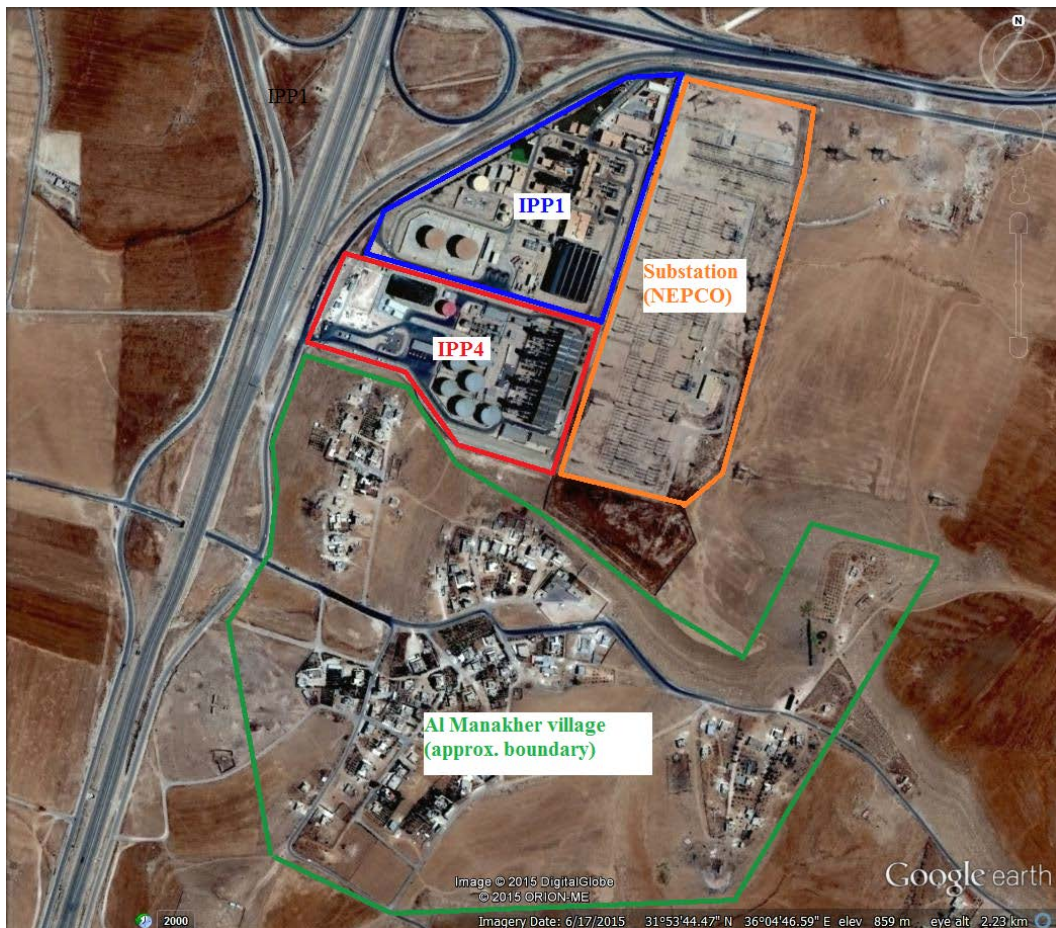
The Project Company reports that all necessary environmental permits have been obtained and that it is in full compliance with the conditions of all required environmental and social laws, permits, the ESIA and the ESMMP. The Independent Engineer’s most recent quarterly operating report corroborates this and concludes that *“we can find no evidence of any significant breaches of the ESIA or Lender’s environmental requirements”*. This is largely confirmed by the Bank’s own review of the Project Company’s operations which shows that the Project Company is complying with all environmental guidelines set out in the ESIA and ESMMP. The Project Company continues to implement the SEP, disclosing a report on the operational and environmental aspects of the Project to the local community in March 2015. The Bank continues to work closely with the Project Company to strengthen the way in which it interacts with stakeholders from the local community.

3. THE PROJECT

3.1 Project overview and location

The Project involves the construction and operation of a 240 MW peaking power plant, near Al Manakher village, 15 km east of Amman in Jordan and comprises 16 reciprocating engines, each with a capacity of 15 MW. The Project was conceived by the government of Jordan for the purpose of providing urgently needed new power capacity particularly during times of peak demand in the middle of the day during hot summer months. The site was chosen by the Ministry of Energy and

Mineral Resources (“MEMR”) and state-owned National Electric Power Company of Jordan (“NEPCO”) owing to its location adjacent to the IPP1 Amman East power plant with existing high voltage grid interconnection and next to the Arab Gas Pipeline with a direct supply of natural gas. NEPCO and MEMR ran a competitive tender among the existing power companies in Jordan for a 25-year (from commercial operation date) Power Purchase Agreement (“PPA”) with NEPCO. The project site is leased to the Project Company by the Jordanian Ministry of Finance/ Department of Lands and Survey, under a land lease agreement. A plan of the Project boundary (pre-construction, in red) with IPP1 to the north and Al Manakher village to the south is shown below.



IPP4 is located on land carved out of the site of the existing IPP1 project. IPP1 was the first private power plant to be constructed in Jordan. The IPP1 plant is owned by a separate legal entity to the Project Company, which is in turn ultimately owned by the same Sponsors as the IPP4 plant, alongside a third shareholder. The IPP4 plant is physically adjacent to, but distinct from, IPP1. IPP1 is a 380 MW Combined Cycle Gas Turbine (“CCGT”) plant and employs very different technology from IPP4, relying on two gas turbines, a Heat Recovery Steam Generator (“HRSG”) and a single steam turbine. It began commercial operations in 2008 and is financed by a different lender group, including OPIC, the Japanese Bank for International Cooperation (“JBIC”) and Japanese commercial banks including Sumitomo Mitsui Banking Corporation (“SMBC”) underwritten by the Japanese export credit agency, Nippon Export and Investment Insurance (“NEXT”). **EBRD is not a lender to the IPP1 project, has no involvement in the plant’s operation or management and has no legal relationship with the owner of the IPP1 plant.** However due to the proximity of both plants, their impacts e.g. in terms of noise and emissions are sometimes difficult to distinguish especially from the perspective of the local community. Owing to EBRD’s involvement in the IPP4 project, the responses provided in Section 4 below relate to the IPP4 project only.

3.2 Technology

Reciprocating engine technology was chosen by the Jordanian government, on advice from its adviser K&M of the US, owing to its high degree of flexibility, both in terms of fuel type and electricity generation. Due to severe supply shortages of gas from Egypt it is important that the plant can run at high efficiency on natural gas, but also heavy fuel oil (“HFO”) and distillate (“DFO”) and the selected Wartsila engines can achieve electrical efficiencies of up to 47% running on natural gas and 44% on liquid fuel. Following the commissioning of a new LNG import terminal at Aqaba in May 2015, gas commissioning of the IPP4 plant is scheduled to take place in September 2015. Electrical output is also very flexible, given the use of an array of small units (rather than a single turbine) which ensures the plant has high levels of availability since each engine can operate independently. The engines are able to ramp output up and down very rapidly, thereby providing the flexibility to act as backup capacity and also to prepare the grid for future deployment of large quantities of intermittent renewable energy.

3.3 Financial structure and timeline

Total Project cost was budgeted at USD 360 million and was financed on a 75/25 debt/equity basis, with USD 90 million provided by way of equity and shareholder loans from the Sponsors, AES and Mitsui. USD 270 million of debt was provided to the Project Company on a senior, non-recourse basis by EBRD (USD 100 million) and US OPIC (USD 170 million). Financial close was achieved at the end of January 2013 and notice to proceed was issued to the EPC contractor Wartsila at the start of February 2013. The Project was constructed on time and on schedule, reaching commercial operations in July 2014.

3.4 Involvement of government

The Project is structured with significant involvement of the Jordanian government. The centrepiece of the Project’s commercial arrangements is a 25-year PPA with NEPCO, which is structured as a tolling arrangement under which the Project Company is paid a capacity charge sized to recover its fixed and capital costs plus an energy charge that covers its variable costs. NEPCO is solely responsible for delivering fuel to the plant and for ensuring fuel meets pre-agreed quality standards. The Project Company may reject fuel if it does not meet these criteria. The Project Company has also entered into an implementation agreement with the Jordanian government whereby the government provides various commitments including supporting the Project Company’s performance of its obligations to develop, design, finance, insure, test, commission, complete, own, operate and maintain the facility and provides for various remedies in the event of material breaches of any project agreements by Jordanian counterparties. The Jordanian government has separately provided the Project Company with a full guarantee of the obligations of NEPCO under the PPA and other Jordanian entities (notably the lessor of the Project site and the water supplier).

3.5 Summary of plant operations

IPP4 has reported no major operational issues since commissioning in July 2014. Technical performance of the plant has been good, with high levels of availability. More than 1,500 GWh of energy has been dispatched by the plant since commissioning.

3.6 EBRD Environmental and social due diligence

The Project was classified as a Category A project. The Project ESIA and related documents were disclosed by the Bank on 16 August 2012, in accordance with the Bank’s 2008 Environmental and Social Policy and 2011 Public Information Policy. The Independent Engineer was retained by the Lenders to undertake the ESDD of the Project as well as the adjacent IPP1 CCGT. The Bank’s ESDD was supplemented by site visits and additional assessment by the Bank’s environmental and social experts. The ESDD included a gap assessment of the Project and Project documentation, notably the ESIA which had been prepared by an international consultant on behalf of the Sponsor. It should be noted that the ESIA was undertaken prior to the involvement of the Bank and was therefore initially prepared to comply with Jordanian and WB/IFC requirements only. The ESIA was disclosed in

English by the Project Company and US OPIC on 6 June 2012 and was reviewed by the Jordanian authorities as part of the national permitting process as well as by the Independent Engineer.

When EBRD was approached for financing, after the initial ESIA disclosure, a gap analysis was undertaken to compare what had been done to date with the EBRD's requirements. The Bank's ESDD confirmed that the Project Company has the institutional capacity to fully implement the Bank's PRs. However, the ESDD identified a number of gaps in the existing documentation in terms of the Bank's PRs. To address these, the Project Company prepared additional documents, including an NTS and SEP, and the original ESMMP was updated to comply with the Banks' PRs. In accordance with the Bank's Environmental and Social Policy (2008), these documents were translated into Arabic and disclosed for the Bank's required public comment period under the Public Information Policy (2011). The Bank also assisted the Project Company in holding consultation meetings in the nearby village. All of these requirements were in addition to the requirements of Jordanian law.


The IPP4 plant is capable of using a range of fuels including HFO, DFO and natural gas. The Bank's ESDD confirmed that the Wärtsilä tri-fuel engines are state-of-the-art and associated with very high efficiency and operational versatility. The engines are fitted with selective catalytic reduction ("SCR") systems to reduce nitrogen oxide ("NO_x") emissions, and sulphur dioxide ("SO₂") is controlled by using low sulphur liquid fuel ($\leq 1\%$ sulphur) with low ash content ($<0.08\%$). The ESDD has confirmed that the engines will comply with IFC EHS emission value levels ("EVLs") for thermal power plants and the operation of the engines will not result in a degradation of the local air quality in terms of Jordanian, IFC or EU levels.

A derogation from the Bank's PR 3 in respect of certain provisions of the EU Industrial Emissions Directive ("IED") was approved by the EBRD Board of Directors and disclosed in the Project Summary Document (<http://www.ebrd.com/work-with-us/projects/psd/ipp4-al-manakher-power-project.html>). Notwithstanding the derogation, the Independent Engineer confirmed that the plant's emissions will not result in a significant material degradation of the local air quality. Air modelling confirmed that the ambient air quality will be within Jordanian and WB/IFC standards (which are designed to prevent adverse effects on public health) as well as EU directives relating to air quality. However, pre-existing dust levels are above EU and IFC air quality standards and this will remain so. The Plant's contribution to dust levels are also insignificant.

As part of the mitigation measures the Bank required a number of Project enhancements, including the design and implementation of a more informative disclosure and inclusive stakeholder engagement process, installation of an enhanced continuous emission monitoring system ("CEMS"), and enhancements to the noise and ambient air monitoring programmes.

The ESDD confirmed that IPP4 itself will not be associated with elevated noise levels outside the site boundary. However, the operation of the existing IPP1 plant, due to the current fuel mix, can result in elevated noise levels as the plant is not operating in a process optimized mode. This is an on-going concern to the local village. To minimise impacts, a number of features have been built into the new plant design to prevent IPP4 from contributing to the noise problem: the new Plant's diesel engines are much quieter than the existing IPP1 boilers and turbines, and also the design of IPP4 includes advanced noise suppression features. The ESMMP requires the Project Company to continue to enhance its monitoring program, including on-demand monitoring in case of complaints, and to work to control and reduce noise to levels acceptable to the villagers. This was conducted jointly by the two power plant companies in collaboration with the villagers and is explained in more detail in Section 4 below.

4. SPECIFIC CONCERNS AND BANK MANAGEMENT RESPONSE

Concern Raised	Management Response
<p>1. Local affected communities' involvement in ESIA:</p> <p>The concern is raised that the local communities were not adequately involved in the ESIA process.</p> <ul style="list-style-type: none"> Statement that the objective of SEP is not for the purpose of explaining how the company will communicate with the affected communities & stakeholder. Statement that the SEP is a Social License to Operate. Concern that communities involved in the process should include Almanaker, Khashafiat Aldabaibah, Khashafiat Alshawabkah, Albaida, Almadounah, Alalia, Alabdaliah, Abu Alandah. Concern that the community discussion with the company is biased due to influence of the Mukhtars who chair the two liaison committees. Assumption that the local community are Indigenous People and that FPIC applies. 	<p>The purpose of a Stakeholder Engagement Plan ("SEP") is exactly to identify stakeholders and explain how the Project Company will communicate and/or consult with them and to describe what information will be in the public domain and how grievances will be managed. The SEP is not a "Social License to Operate"—it is a communication and engagement plan.</p> <p>The SEP identifies the residents of Al Manakher village as closest to, and potentially directly affected by, the Project. The other villages listed by the Complaint are between 3.4km and 10.7km from the Project location (see map below) and residents of these villages, together with residents of the wider Sahab district, are also identified as stakeholders, albeit those which are "unlikely to be directly affected" by the Project. Public consultation, interaction and information sharing was carried out with stakeholders during development of the ESIA, and following financial close in January 2013, in accordance with the SEP, which is available here: http://www.ebrd.com/work-with-us/projects/esia/ipp4-al-manakher-power-project.html.</p> 

	<p>Information on the meetings that were held with the local communities and the disclosure of information to those communities is described in Section 4 of the SEP. This included a scoping consultation in July 2010 to which Al Manakher villagers were invited but did not attend. The company also organised a public consultation meeting in Al Manakher village in August 2011 and according to the SEP about 150 villagers attended as well as local authorities and the Sahab Governor. This was complemented by house-to-house meetings with a sample of 15 households, where 20% of respondents were women. A follow up meeting was held in May 2012 to develop an action plan in response to residents' concerns. The other villages mentioned in by the complainant were not directly invited because they were deemed by the Project Company to not be directly affected by the Project, being at least 3-4km from the site. However, these communities would have been able to view the announcements about the consultation sessions in the local press and are able to raise their concerns with the Project Company through the grievance process. Given the comments being raised in the Complaint, the Project Company is considering ways to improve communication with Al Manakher and other nearby villages, including sharing information from the non-technical summary and the grievance mechanism in case there are questions from their constituents.</p> <p>The main fora for engagement between the plant and the local community are two committees that have been set up to represent Al Manakher villagers and facilitate communication between the community and the Project Company: (i) the Roboo Al Manakher committee, chaired by Oddallah Al Daja, and (ii) the Al Kherba committee, chaired by Abu Hani Daja. Both are formally registered with the Jordanian Ministry of Social Development. Two committees have been established to reflect the composition of the village community. By having two committees this allows more views to be captured and ensures that the whole village has an avenue for information/comment. To capture the views of the wider community, or if stakeholders prefer, concerns, questions or comments about the plant can be made directly to the Project Company by means of the grievance mechanism and Project Company representatives as set out in the SEP.</p> <p>With regard to Indigenous People and FPIC, see comments in Box 17 below.</p>
<p>2. Presence of Grievance Mechanism for local communities:</p> <ul style="list-style-type: none"> Concern that the grievance mechanism is not 	<p>The Project Company has established a grievance mechanism which allows people to direct concerns using several methods including: (i) through the Governor of Sahab; (ii) through the two village committees; (iii) by direct communication with the Project Company by means of a grievance/suggestion box located at the main gate of the plant; or (iv) by telephone with the</p>

<p>operational and there is no designated liaison officer from the communities.</p> <ul style="list-style-type: none"> • Concern about how the committees were formed and selection of members. • Concern that the Project Company refers complaints to the local governor or the government of Jordan. • Statement that the grievance mechanism should address human rights issues. • Concern about EBRD's responses being based on Project Company's information and the need for information beyond the Project Company and the government sources. • Concern that information about the grievance mechanism is not well known in the communities. 	<p>contact number also published at the main gate and on the web. The members of the two village committees have been informed of all ways of communication and these two bodies form the main method of liaison with the community. The Project Company has both a male and a female liaison officer whose contact details are contained in the grievance mechanism and published on the notice board at the school. These officers are well known to the liaison committees and to the village community.</p> <p>The process of establishing the committees was led by the villagers of Al Manakher themselves and, as above, a decision was taken to establish two separate committees in order to reflect the composition of the village community and to gather feedback from as wide a range of community members as possible. The grievance mechanism also contains a procedure for bringing concerns directly to the Project Company's attention, or to the attention of the relevant authorities, if stakeholders are not comfortable with the committee process or if they come from the wider Sahab community.</p> <p>EBRD monitors the implementation of the grievance mechanism in several ways. The Project Company is required to deliver an Annual Environmental and Social Report starting in June 2016 which will contain, among others, a summary of stakeholder engagement activities undertaken, including the location of meetings, issues discussed/raised and a breakdown of the number of participants by gender, as well as a listing of stakeholder grievances and resolutions, and of worker grievances and resolutions. Owing to the long period of time between financial close in January 2013 and delivery of the first report, EBRD monitors the grievance mechanism through regular meetings with the Project Company and through meetings with representatives of the community, as well as responding to communication sent to the Bank. Site visits have been undertaken at least semi-annually during construction. Bank staff conducted face-to-face meetings with representatives of the Al Manakher village in September 2012 during consultation on the ESIA and June 2015 during monitoring in order to hear directly the concerns of the community and to compare against the reports of the Project Company.</p> <p>The grievance mechanism is not prescriptive in its requirements for individual complaints, and grievances do not need to meet any pre-agreed criteria in order to be raised. In this regard, any grievance, including human rights concerns, may be raised under the grievance mechanism.</p> <p>With regard to EBRD's responses to the complainant, the Bank is not just repeating the Project</p>
--	--

	<p>Company's responses. EBRD's information comes also from the environmental, health and safety, and social specialists at EBRD reviewing the information and undertaking site visits, including several face-to-face meetings with the village community (see above) and also from the Bank's independent technical consultants who monitor the Project on behalf of the lenders. It is the combination of these information sources that is reflected in the Bank's responses.</p>
<p>3. Provision of Environmental, Social, Health & Safety periodic reports to local affected communities:</p> <ul style="list-style-type: none"> • Periodic reports should be third party audits and these audits should be accompanied by qualified representatives of the local affected communities. • Periodic reports should describe the progress of implementing the project action plans and grievance mechanism. • Concerns about environmental, health, social & economic impacts of IPP4. • EHS related to air emissions, GHG emissions, effluents, noise & hazardous waste management weren't properly prevented, minimized nor controlled. • The Project Company should consider the option of relying on an appropriate combination of using cleaner fuels & using more effective pollution controls. • Comment that no external or local experts were involved in assessing the environmental, health and safety issues associated with the project. 	<p>The Project Company provides quarterly reports to the Governor of Sahab and has been posting them on a dedicated notice board outside Al Manakher School since March 2015. The reports include details on the operation of the plant, health and safety issues, environmental performance including details on emissions to atmosphere, air quality, noise, fuel quality, waste management and security issues. During the Bank's recent visit in June 2015 it was identified that these reports need to be expanded to include updates on the implementation of stakeholder engagement activities and the grievance mechanism. Also the village committees have requested that information be disclosed at the mosque in addition to the school notice board. These issues have been brought to the attention of the Project Company which has welcomed suggestions about ways to improve its communication practices.</p> <p>The operational, environmental and social performance of the Project Company is already subject to numerous independent audit processes: (i) the Project Company instructs independent bodies to carry out audits of various aspects of the plant, e.g. environmental management and safety management systems are audited by SGS, fuel quality is audited by Veritas Petroleum Services ("VPS") of Singapore, noise monitoring is audited by the Royal Scientific Society ("RSS") of Jordan; (ii) on behalf of the Lenders, the Independent Engineer carries out quarterly reviews of the plant operations and is currently carrying out a detailed third party audit of all operational and environmental aspects of the Project; (iii) the Project Company is required to procure a comprehensive environmental and social audit in order to assess compliance with the environmental and social commitments of the Project to be undertaken in 2017; and (iv) the Jordanian Ministry of Environment ("MOE") carried out inspections of the plant on 12 April 2015 and issued a letter confirming their "good impression of the plant's compliance with Jordanian environmental regulations and standards".</p> <p>We note the recommendation that representatives of the local community would like to observe technical audits, but for health and safety reasons, this is usually not appropriate. The Project Company has previously provided site tours to members of the community but these have been</p>

	<p>limited in scope and restricted to non-sensitive parts of the site. The Project Company has been asked to assess how to make people more familiar with the site operations and to discuss this with the community committees.</p> <p>With regard to the concerns about the environmental, health, social and economic impacts of the Project, the lender and independent monitoring information shows the Project is operating in accordance with the agreed requirements and local regulations (see below).</p> <p>We note the recommendation on cleaner fuels, however, according to reports of the Project Company and the Independent Engineer the plant is currently complying with emission and air quality limits set by the Applicable Standards. These standards are achieved through complying with fuel quality standards regarding Sulphur and ash content, and also through the operation of post-combustion Selective Catalytic Reduction ("SCR") technology. While the design of the plant allow for future installation of Flue-Gas Desulphurisation ("FGD") equipment the primary method of controlling SO₂ emissions is through control of fuel Sulphur content (see below) in order for the plant to meet the Applicable Standards.</p> <p>As above, the Project Company and lenders have both engaged independent consultants to review the environmental, health and safety aspects of the plant, both as part of the due diligence process and during the construction and operational monitoring periods. A combination of international and local experts have been engaged, and the Independent Engineer reports directly to the Lenders, not to the Project Company.</p>
<p>4. Adequacy of Environmental & Social Mitigation & Monitoring Program:</p> <ul style="list-style-type: none"> • Suggestion that local communities' representatives be able to participate in monitoring activities. • Project Company's ESIA states that a stack height of at least 70 m is therefore recommended for the Power Project to ensure compliance with World Bank / IFC Guideline for NO₂. Is the real height of IPP 4 stacks 70 or 50m? 	<p>The Project Company's testing and monitoring commitments are set out in the ESMMP, which is also available here: http://www.ebrd.com/work-with-us/projects/esia/ipp4-al-manakher-power-project.html. Fuel quality is tested monthly. Emissions from the plant stack are monitored continuously, as is ambient air quality. All necessary equipment is calibrated and certified and an accredited 3rd party is used as and when required.</p> <p>The Bank notes the request for community involvement in testing; however, for safety reasons, only licenced contractors are able to be involved in witnessing or participating in the testing on the site. The Project Company reports information to the community committees and posts the reports on a notice board at the school. Residents are able to raise any specific technical questions with the Project Company directly.</p>

<ul style="list-style-type: none"> • Project Company's ESIA states that The World Bank / IFC Guidelines have been used as they are more stringent than the Jordanian Standards for ambient air quality. • Concerns that fuel used in IPP4 have sulphur, ash and carbon content significantly above IFC levels. • The Project Company is conducting the stacks monitoring which is a conflict of interest. Stated that they monitor NO₂, CO, O₂, but does not mention monitoring SO₂, PM_{2.5}, PM₁₀, O₃, H₂S. • Project Company's ESIA 6.2.71 states that the primary method for the control of SO₂ emissions is to reduce the sulphur content of the fuel. Concern that this is not done, as sulphur content is thought to exceed 6%. • Concern over information provided by both the Project Company and the government. Request a neutral third party to undertake monitoring and include representatives of communities. • Continuous air pollution monitoring is needed because the pollution emitted from IPP 4 is related to the type of the fuel used. • Continuous ambient air quality monitoring in the surrounding environment (Almanaker, Albaidah, Kashafiat Aldabaiba, Kashafiat Alshawabka, Alabdalia, Almadounah, Alalia, Abu Alanda) should also be conducted by a neutral, specialized, credible & accredited third party with the effective involvement of trained qualified representatives from local affected communities 	<p>The height of the stacks is 70m. A detailed stack height determination is presented in the ESIA, the suitability of which has been determined based upon compliance with WB/IFC Guidelines on ambient air quality and any additional environmental benefit of increases in the stack height. WB/IFC Guidelines were used as they are more stringent than Jordanian Standards for ambient air quality.</p> <p>With regard to standards—the EBRD, WB/IFC, and OPIC requirements have been applied to the Project. The Jordanian requirements must also always be met—it is not a case of one or the other.</p> <p>The fuel supplier is required to certify the sulphur content of HFO deliveries is below 1% (by weight) as required by the ESIA. The Project Company carries out full fuel quality analysis of samples from the fuel storage tanks on a monthly basis. This is carried out by a specialised laboratory in Singapore (Veritas Petroleum Services, “VPS”). Samples from individual tanker deliveries are also taken and tested periodically. The Bank and the Independent Engineer have reviewed reports from VPS on samples taken in May and June 2015 which confirmed a sulphur content of <1%.</p> <p>The typical ash content specified in the ESIA is 0.05% although the ESIA recognises this is dependent on locally available fuel and an exemption approved by the MOE allows a maximum ash content of 0.08%. Ash content is covered by the monthly tank testing programme described above and confirmed ash contents of 0.042% and 0.029% in May and June 2015 respectively. CO₂ emissions are calculated and reported annually based on the type of fuel used and the technology employed.</p> <p>Stack emissions are monitored and measured continuously using a Continuous Emissions Monitoring System (“CEMS”). The equipment is operated by the Project Company but measurement is automated. The CEMS equipment is regularly checked and periodically calibrated by an independent firm and the Independent Engineer has reported in its quarterly reports to the Lenders that emissions have been measured and recorded in accordance with the approved emissions monitoring plan throughout the operational period to date. Emissions of SO₂, NO_x, CO in mg/Nm³ are measured at each stack and are within the Applicable Standards. Although NO_x emissions have occasionally exceeded guideline levels of 740 mg/Nm³, their duration is less than the 5% exemption for start-up and shut down events as permitted by the Applicable Standards. Particulate Matter (“PM”) is measured continuously but indirectly using an opacity meter which provides a percentage opacity figure rather than a mg/Nm³. According to the Independent</p>
---	---

<p>& the Project Company should bear the cost involved.</p> <ul style="list-style-type: none"> Concerns over MOE 6 monthly monitoring of air emissions and the party who undertakes this monitoring. Concern that hazardous waste and sludge are being disposed of on agricultural lands and to inappropriate contractors. Concern about MOE monitoring of Project Company's implementation of the ESMMP. Concern about the Project Company's insistence that all tests, monitoring, inspection and/or auditing is done through Ministry of Environment and/or Water Authority. For projects with significant impacts, the Project Company should retain external experts to verify its monitoring information. Concern that project monitoring should take into account the Affected Community's perception of risks to their health and environment resulting from the project. Concern that the grievance process should enable complainants to have recourse to external experts. 	<p>Engineer, percentage opacity levels are less than 11% which is well within the required limits, however additional testing carried out by the Project Company to confirm the correlation of % opacity to mg/Nm³ has not yet been completed. Guidelines do not require ozone (O₃) to be measured and process contributions of hydrogen sulphide (H₂S) are considered to be negligible in the ESIA.</p> <p>The average percentage of sulphur content of fuel and quality control process is discussed above and we are surprised to hear of sulphur readings in excess of 6%.</p> <p>We note the comment about wanting information independent of the Project Company and government and point out that the Lenders rely on reviews and audits carried out by the Independent Engineer. We would also highlight the role of independent firms that are involved in the certification of the CEMS monitoring system and SGS in its certification of environmental management and safety systems at the Project. Calibration of the air quality monitoring station is undertaken annually by an independent Jordanian engineering firm.</p> <p>Emissions from the plant stack are monitored continuously (see above). Ambient air quality (NO_x, SO_x and PM₁₀) is also monitored continuously at a permanent air monitoring station at the boundary of the plant. The results are reviewed by the Independent Engineer on a quarterly basis and compared against limit values. Maximum and average values of NO_x and SO₂ have been within Applicable Standard limits throughout the construction and operational period to date. The Independent Engineer has reported to us three events since commercial operation of the plant began in July 2014 when the PM₁₀ value has exceeded the maximum value Jordanian limit (120 µg/Nm³) and WB/IFC limit (150 µg/Nm³). All three events are described as one-off events due to site levelling for the inauguration of the plant or construction activities associated with the gas pipeline which is happening near to the monitoring station. During all periods the PM₁₀ average values have been well within Applicable Standards. In accordance with the air quality monitoring plan, a second mobile monitoring unit was set up for 6 months at a location where the highest pollutant concentration was modelled during the ESIA work. The results from this mobile monitoring unit were then to be used to determine whether a second permanent monitoring unit was required to be installed. The 2Q 2015 quarterly operating report confirms this additional monitoring has been carried out and concludes that as the readings from this station are less than those from the existing permanent unit and are within the hourly and daily limits required by Jordanian standards. The Independent Engineer is currently reviewing these findings and the</p>
--	--

	<p>recommendation by the Project Company that there is consequently no need to install a second permanent air quality monitoring unit.</p> <p>With regard to the air monitoring undertaken by the MOE or its contractors, the lenders are not in a position to comment. The lenders have their own independent consultants that advise them, as well as internal specialists.</p> <p>The Project Company has a comprehensive waste management plan that sets out procedures governing the disposal of hazardous waste and sludge and reports to the lenders on these practices on a quarterly basis by way of the quarterly operating report. The operation of these practices has been inspected by the Independent Engineer. The Project Company has a designated hazardous waste storage facility where all such waste is stored before disposal, in accordance with good international practice. All disposals are made as per law through MOE-approved contractors and subject to the Ministry's inspections of storage facilities, waste management procedures and recordkeeping. Sludge oil and used lube oil from the site goes out via contractors which are approved by the MOE. Sewage goes out by Amman Municipality trucks. All disposal quantities and contracts are recorded by the Project Company and are handled by approved contractors. The recordkeeping is part of the environmental management system and subject to review by environmental authorities/inspections. No effluent is sent out from the plant and all effluent goes to the on-site evaporation pond which the Independent Engineer and lenders have inspected.</p> <p>The lenders cannot comment on actions of the MOE. The lenders are monitoring performance and commitments of the Project Company, including the ESMMP.</p> <p>The Project Company has certain obligations under national requirements and is subject to monitoring in accordance with these requirements, including which firm undertakes the monitoring/inspections. The lenders cannot comment on complaints about the ministries. The lenders supplement and verify information received from the Project Company with their own specialists' site visits and review of information, as well as lender technical consultants.</p> <p>With regard to input from the community into the monitoring process, residents have the opportunity to inform the Project Company of their concerns through the two community committees or through the grievance process.</p>
--	---

	<p>With regard to the grievance process and external experts, we note that there is a grievance process, the availability of the community committees, the formal legal process for complaints in Jordan, as well as lender complaint processes. We highlight that the Independent Engineer conducted meetings with residents of Al Manakher village during the due diligence phase and that EBRD in house environmental and social specialists have also met with the liaison committees on several occasions during the due diligence and monitoring phases.</p>
<p>5. Involvement of local affected communities & Stakeholders in ESMMP:</p> <ul style="list-style-type: none"> • Concern about amount of involvement of local communities in monitoring. • Concern that local people are not part of the work force and are not allowed in the plant. Allegations of violations that are hidden. • Quotes from policy requirements of the purpose of community engagement, stakeholder identification and engagement. Repeated concerns about communicating with biased parties in the community. • Concern about limiting consultation to the Almanaker community. 	<p>As in many similar industrial facilities, the Project Company only allows access to its operating areas to technical staff and those necessary to maintain operations. This is due to its health and safety obligations. This is not because there are violations, but because the Project Company is responsible for the safety of everyone on the site as well as the security implications of operating a site such as this in Jordan. It has logged over 2.5 million staff hours of time without a Lost Work Time Accident, which is a significant achievement. Authorities, lenders, and technical consultants all have the required training to be on site. Notwithstanding this, the Project Company has been asked to assess how to make people more familiar with the site operations and to discuss with the community committees</p> <p>As above, Project monitoring reports began to be published at the Al Manakher school in March 2015, which illustrate the environmental and operational performance of the plant. These reports are also lodged with the Sahab Governor's office and are available to the community on request. Following the most recent site visit in June 2015, the lenders identified several areas for improvement and are in discussion with the Project Company regarding methods for improving the way in which environmental and social activities are communicated to the local communities as well as including information about stakeholder engagement activities and grievances in these disclosures.</p> <p>The Project Company employs two individuals from the Al Manakher village in permanent full time positions as an engineer and a technician. The Project Company also provides employment on an occasional basis to between 30-40 unskilled labourers from the surrounding area and these opportunities are publicly advertised in print media which is accessible by Al Manakher residents as well as the surrounding communities. If demand exceeds supply of these jobs then the Project Company uses a strict policy of rotation for allocating these jobs.</p> <p>We note the complaint regarding the presence of biased parties in the community. However, the creation of the committee structure was led by the villagers and in case individuals do not want to</p>

	<p>use the committee forum for raising concerns the grievance mechanism includes a process by which concerns can be communicated directly to the Project Company or with the Sahab Governor.</p> <p>As above, other villages mentioned by the complainant were not specifically invited to ESIA consultation meetings because they were deemed by the Project Company as not directly affected by the Project. However, these communities would have been able to view the announcements about the consultation sessions in the local press and would have been able to attend if they wished. More recently, the Bank has also encouraged the sharing of operational and EHS information about the Project with these communities as well.</p>
<p>6. Fuel content Continuous Testing:</p> <ul style="list-style-type: none"> Concern that monthly fuel testing is not being carried out. Clarify the responsibility for fuel quality. Is it NEPCO? What measures are taken if fuel quality does not meet the standard? Is it refused? Request to see the fuel tests and to know who performed them—will not accept any government testing or that done without local community involvement. It should be continuous testing. 	<p>See comments on fuel quality testing above. Fuel quality is tested monthly by an independent laboratory and the supplier (NEPCO) is required to certify the sulphur content of HFO deliveries is below 1% (by weight) as required by the ESIA. Ash content should also normally be less than 0.05%, although MOE has approved a maximum ash content of 0.08% to take account of locally available fuels, and this is permitted in the ESMMP. The Project Company is able to refuse delivery of fuel if it does not meet these minimum quality specifications. The Project Company also carries out periodic independent lab tests of fuel quality by sending samples from the fuel tanks to VPS of Singapore. 5 samples were tested in May and June 2015 and revealed sulphur and ash contents by weight of <1% and <0.05% respectively. We have raised the subject of fuel testing with the Project Company and recommended that they publish the results of the independent laboratory tests alongside the quarterly reports at the school and Mosque.</p>
<p>7 & 9. Continuous ambient air quality monitoring program [complaints merged due to overlapping claims]:</p> <ul style="list-style-type: none"> Statement that Ambient Air Quality monitoring is semi-annual and should continuously monitor NO_x, SO₂, PM10. Concern that air quality monitoring needs to be continuous and be undertaken by a neutral party and have involvement of local community. 	<p>Modelling of the airshed was carried out in the ESIA phase by a combination of international (Parsons Brinckerhoff) and local (RSS) firms to understand the impact of these emissions and ensure that it is acceptable. The monitoring of ambient air quality is set out in a comprehensive air quality management plan the implementation of which is reported to the lenders on a quarterly basis by the Project Company.</p> <p>Ambient air quality (NO_x, SO₂ and PM10) is monitored continuously at a permanent air monitoring station at the boundary of the plant. The monitoring confirms that local air quality remains within the applicable limits, except for three one-off events when particulate matter exceeded guideline amounts owing to local construction activities (see box 4 above). This was also verified by a mobile</p>

<ul style="list-style-type: none"> Concern that the entity doing the Ambient Air Quality testing is not neutral as they undertook the ESIA and are the sole contractor for all monitoring tasks. Concern that Jordan does not have experts and laboratories with the capability of testing to the necessary accuracy and that there is no accreditation for laboratories to the international standard. Complainant states that the MOE has some monitoring stations in the Kingdom, but only one in Sahab & none is located in the affected areas of Almanaker, Albaida, Kashfiat Aldabaibah, Kashafiat Alshawabkah, Almadouna, Alalia, Alabdaliah or Abualanda. Concern that the agency/consultant used by the government or the government authority itself is not credible to undertake monitoring. 	<p>air quality monitoring unit which was deployed for a period of 6 months at the location where the highest air pollution was modelled during the ESIA phase and which showed lower concentrations of pollutants than at the permanent monitoring station. The results of the air quality monitoring are also reviewed on a quarterly basis by the lenders' environmental specialists and the Independent Engineer. These results confirm that the IPP4 plant is in compliance with the ESMMP and ESIA limits.</p> <p>Air quality monitoring equipment is automated and calibrated as per OEM guidelines. The equipment is tested periodically, and at least annually, by a third party. The last such test was undertaken by the RSS in 3Q 2014. We understand that RSS is a well-regarded, internationally accredited organisation offering specialist laboratory and testing services. We believe this testing regime is sufficient to meet the requirements of the ESMMP. In addition the MOE carried out a comprehensive audit of the IPP1 and IPP4 plants, covering all environmental aspects including waste management, water treatment, noise and emissions to air on 23 March 2015 and 12 April 2015. They did not identify any concerns or non-compliance with the environmental requirements.</p> <p>We understand that government also carries out its own air quality monitoring programme throughout Jordan however the EBRD is not in a position to comment on this program and it does not rely on the results of this programme for monitoring the ambient air quality nearby the plant. Ambient air quality is monitored using the dedicated permanent air quality station at the plant boundary together with a mobile unit that was deployed for a period of 6 months (see box 4 above).</p>
<p>8. Continuous Stack emission monitoring program:</p> <ul style="list-style-type: none"> The ESIA 6.2.72 states that the stack will be fitted with continuous emissions monitors for NO_x and O₂. The measured values will be recorded and displayed both remotely and in the control room. It is unclear what other pollutants will be monitored. Representatives of local communities should be involved & the monitoring should be controlled & observed by neutral third party & local 	<p>Emissions from the plant stack (NO_x, SO₂, CO and PM10) are monitored continuously (24 hrs a day/7 days per week). O₂ is not a pollutant and not required to be measured. The operation and results of the CEMS measurements are summarised in box 4 above and demonstrate compliance with the ESIA and ESMMP. Note that IPP4 uses SCR technology to minimise NO_x emission. We also understand that in IPP1 (Amman East) low NO_x burners are used. CEMS is calibrated as per the guidelines of the original equipment manufacturer. No third party is employed to undertake CEMS and nor is this required by local or international guidelines.</p> <p>As mentioned, it is not normal practice for non-technical people to be allowed access to highly technical sites for health and safety reasons. This is not because there are violations, but because the Project Company is responsible for the safety of everyone on the site. The Lenders'</p>

communities.	Independent Engineer carries out quarterly reviews of the CEMS data and is currently undertaking a detailed audit of the procedures and results of the continuous monitoring programme. An independent company also carries out periodic testing of the CEMS equipment to ensure correct measurements. We note the request regarding observations of the monitoring programme and have recommended to the Project Company that it consider improving the way it communicates the results of the CEMS monitoring programme to the local community.
<p>10. Noise Monitoring:</p> <ul style="list-style-type: none"> Noise Monitoring should be conducted by a neutral, specialized, credible & accredited third party with involvement of qualified trained representatives from local affected communities in sensitive places. Nearby houses suffer from cracks & people suffer from disturbance & discomfort. Noise Monitoring should be undertaken by a neutral third party, not the Project Company or the government. 	<p>Noise control/ minimization measures for IPP4 were implemented in the development phase. A number of measures have been implemented including (i) installation of ultra-low noise radiators at a cost of USD 3 million, (ii) location of the engine hall inside heavy insulated sandwich panels, and (iii) the whole plant was shifted and pushed to the back towards the NEPCO substation to minimise the noise towards the village. The Project Company undertakes noise monitoring at the plant boundary, which shows the plant noise to be within limits set by both Jordanian law and by the World Bank. An unattended noise monitoring station is also in place at the school which records noise at the receptor location. The results of the monitoring programme are currently being analysed by the Lenders and the Independent Engineer, but an initial review confirms that daytime and night-time noise levels are within limits set by the Applicable Standards, after disregarding external noise sources that are not related to the operation of the two power plants. The recording equipment used to measure noise at the receptor locations was calibrated by the Owner's Engineer (PB Power) and calibration certificates have been provided to EBRD and the Independent Engineer.</p> <p>Several complaints from villagers have been received regarding cracks appearing in houses and the community has a written undertaking from the Project Company that it will contribute to fixing the cracks. However this request is pending an independent survey of the houses impacted to be carried out by the Ministry of Public Works and Housing. The Project Company will not carry out any work until this survey has been carried out.</p>
<p>11. Continuous Effluents Monitoring:</p> <ul style="list-style-type: none"> Project Company's ESIA6.3.41 states that a suitably qualified Licensed Contractor will dispose of all sludge off-site. In addition, any waste oils will be removed by a Licensed Contractor and disposed of at an appropriate disposal site in the 	<p>The ESIA and ESMMP describe the waste management strategy but in summary the Project Company is committed to using licensed waste disposal companies. The Independent Engineer is currently in the process of auditing the waste disposal activities of the Project Company and during the recent site visit the Project Company confirmed that all off-site waste disposal is undertaken by contractors certified by the relevant government agencies (i.e. Greater Amman Municipality for general waste and sewage and the MOE for oily sludge and hazardous waste). Note that the plant is "zero effluent" and all effluent remains onsite and is dealt with in the evaporation pond which has</p>

<p>event that the oil cannot be recovered / reused / recycled. Concern that this is not being done.</p> <ul style="list-style-type: none"> Concern that testing should not be done by government authorities, but by independent, certified specialists with participation of local communities. 	<p>been physically inspected by both the Lenders and the Independent Engineer.</p>
<p>12. Management & Disposal of Hazardous Waste :</p> <ul style="list-style-type: none"> Summary of IFC requirements—no specific concern raised. The Project Company should ascertain whether licensed disposal sites are being operated to acceptable standards and where they are, the Project Company will use these sites. 	<p>The Project Company has a designated hazardous waste storage facility where all such waste is stored before disposal, in accordance with good international practice. All disposals are made as per law through MOE-approved contractors and subject to the Ministry's inspections of storage facilities, waste management procedures and recordkeeping.</p>
<p>13. Management & Disposal of Sludge & contaminated Oil :</p> <ul style="list-style-type: none"> Who is the licensed hazardous waste disposal company that IPP 4 uses Where are manifests of disposed hazardous waste including solid and/or sludge and/or contaminated waste water? Concern that sludge oil is being sold to contractors & contaminated sludge & water disposed in nearby agricultural lands which belongs to local communities or to non-licensed landfills in nearby land. Concern that sewage is transported by Amman Municipality waste trucks & not tested at Algabawi Waste Landfill to make sure that the sewage doesn't contain any hazardous waste. Concern that the Project Company is using non- 	<p>Sludge oil and used lube oil from the site goes out via contractors which are approved by the MOE. Licenses to these contractors are issued, maintained and monitored by the Ministry. The Project Company keeps a list of these approved contractors and ensures it is kept regularly up to date. Sewage goes out by Greater Amman Municipality trucks. All disposal quantities and contracts are recorded by the Project Company and are handled by approved contractors.</p> <p>The recordkeeping is part of the environmental management system and subject to review by environmental authorities/inspections as well as by the Independent Engineer.</p> <p>The Bank has consulted with the Project Company which has confirmed that it is not aware of any contaminated sludge being spread on agricultural land. It also confirmed that all disposal activities are fully supervised by the operation team inside the plant. The Project Company has also audited the site of its waste disposal contractor and watched the separation and recycling process. If there are specific allegations about inappropriate disposal, please provide the detailed information on date, time, location of disposal, description of vehicles, photos, as available, to the Project Company and/or the relevant authorities for further investigation.</p>

licensed contractors to dispose of sludges, contaminated wastewater, and selling contaminated oil.	
14. Emission Control Measures : <ul style="list-style-type: none"> Did the Project Company install FGD to reduce the level of SO₂ emissions or did they use HFO or DFO with sulphur content that complies with IFC standards??? Did the Project Company install Fabric Filters/ESPs to reduce level of PM emissions or did they use HFO or DFO with Ash & carbon content that complies with IFC standards??? 	<p>FGD equipment is not installed at IPP4, however, the plant has been designed to have land available should FGD equipment be deemed necessary. The plant meets Applicable Standards on SO₂ through monitoring of the sulphur content of the HFO. This is measured monthly by the Project Company and subject to periodic independent laboratory tests by VPS of Singapore which show sulphur levels <1%. The results of CEMS monitoring equipment at the stack and continuous ambient air quality monitoring at the plant boundary also show compliance with SO₂ limit values set out in the Applicable Standards.</p> <p>No fabric filters or ESP equipment is installed at the plant and these are not required and not recommended as a BAT under EU environmental standards, nor are they a requirement of WB/IFC. Ash and PM emissions are controlled through fuel quality monitoring to ensure the ash content is less than the MOE exemption limit of 0.08%. Independent testing by VPS shows ash content of samples in May and June 2015 to be 0.042% and 0.029% respectively. CEMS monitoring of PM emissions at the stack and plant boundary show average PM levels to be lower than Applicable Standard limit values. Several individual exceedances of ambient PM levels have been recorded but are attributed to one-off local construction activities.</p>
15. Odour Monitoring : <ul style="list-style-type: none"> Concern that there is no monitoring of odour. 	<p>The Project Company does not carry out formal testing of odour but monitors it operationally and documents any significant odour events. The Bank has enquired regarding odour and the Project Company reports that it has not received any complaints from the local community nor from its people working inside the plant regarding odour.</p> <p>The evaporation pond which can be a potential source of bad odour is monitored by checking biochemical oxygen demand and chemical oxygen demand levels. Water is recycled into the pond by aeration to maintain the level of oxygen and prevent anaerobic conditions.</p>
16. Plant Emergency & preparedness & response report & engagement of local affected communities: <ul style="list-style-type: none"> Concern that they have never heard of any emergency response drills carried out by the Project Company and that they have not engaged 	<p>Both IPP1 and IPP4 have emergency response plans that are tested at regular frequency in coordination with the local emergency services.</p> <p>Regarding village involvement, regular drills are carried out with participation by local responders. The last full scale emergency drill was conducted on 11 February 2015 with Amman Civil Defence;</p>

<p>with the local community regarding response planning, which is an IFC requirement.</p> <ul style="list-style-type: none"> • Comment that the Project Company needs a Liaison Officer for communications and grievances and the person should be selected from the local community. 	<p>and the village chief of Al Manakher was invited to witness and understand the risk and response. The next such drill is scheduled for the first quarter of 2016.</p> <p>During the site visit in June 2015, it was highlighted that emergency drills should involve greater participation from the local community, in addition to the village chief. EBRD recommended the Project Company discuss this matter at liaison committee meetings and consider ways of involving more members of Al Manakher village in the drills, taking into account necessary safety and security concerns.</p> <p>The Project Company has both a male and a female liaison officer whose contact details are contained in the grievance mechanism and published on the notice board at the school. These officers are well known to the liaison committees and to the village community.</p>
<p>17. Free, Prior, Informed Consent (FPIC) :</p> <ul style="list-style-type: none"> • Concern that this project causes adverse impacts to Indigenous Peoples and therefore triggers requirements on Free, Prior, and Informed Consent (FPIC). 	<p>The Bank's Environmental and Social Policy (2008) defines Indigenous Peoples as possessing the following characteristics in varying degrees: self-identification as a member of a distinct cultural group; collective attachment to land or resources in the project area; descent from populations who have traditionally pursued non-wage (and often nomadic/transhumant) subsistence strategies and whose status was regulated by their own customs or traditions or by special laws or regulations; customary cultural, economic, social or political institutions separate from those of the dominant society; and distinct language or dialect. These characteristics do not apply to the inhabitants of the villages in Jordan near the facility, nor indeed to any community/population in the Kingdom of Jordan. We note also that there was no resettlement required for the Project, as the government was already the landowner of the site prior to involvement of the Sponsors and it was unoccupied and unused. FPIC was therefore not applicable for this facility.</p>
<p>18. Use of PCB (Polychlorinated biphenyl), Ammonia (NH₃), Hydrazine(N₂H₄) & Adenosine Tri-Phosphate (ATP):</p> <ul style="list-style-type: none"> • Concern that hazardous materials are used at the site, such as PCBs, Ammonia, Hydrazine, and ATP. ESIA 4.1.26 states that small quantities of these chemicals will be used in boiler water dosing, but the Project Company now claims that these materials are not used. 	<p>No PCB or any similar material is used at site. There is a third party auditor report confirming this, and it was part of the Project completion requirements for IPP4. Neither IPP1 nor IPP4 uses Adenosine Tri-phosphate or Hydrazine. IPP1 does not use Ammonia. The IPP1 plant uses an Ammonia replacement called Steam-Mate and Carbohydrazide for the operation. IPP4 uses 35% aqueous Ammonia for SCR to control NO_x. Use of Aqueous Ammonia is much safer than the use of gaseous ammonia. All the chemicals are used in accordance with proper procedures, materials storage and handling requirements and Material Safety Data Sheets ("MSDS"). All waste is disposed of according to the required waste disposal procedure (see above).</p>

<p>19. Employment & Training of skilled & unskilled personal from local affected people: (The Project Company Deliberately refuses to hire or employ people in the local affected communities in the core workforce to keep them away from discovering their severe violations).</p> <ul style="list-style-type: none"> • The Project Company doesn't employ any key employees deliberately in the core work force of the plant because the Project Company needs to keep their severe violations hidden away from local affected communities. • Where the project involves specifically identified physical elements, aspects and facilities that are likely to generate impacts, and as part of the process of identifying risks and impacts, the Project Company will identify individuals and groups that may be directly and differentially or disproportionately affected by the project because of their disadvantaged or vulnerable status. Where individuals or groups are identified as disadvantaged or vulnerable, the Project Company will propose and implement differentiated measures so that adverse impacts do not fall disproportionately on them and they are not disadvantaged in sharing development benefits and opportunities.(local affected communities are not advantaged of any development benefits or opportunities & that is limited to senior project engineers). • General Labour concern raised regarding discrimination-and that local people are subject to discrimination in hiring. States that the company 	<p>The Project Company has an equal opportunities employment strategy and a policy against discrimination in the workplace. The local community was made aware of the opportunities for employment and for contracted services, and meetings were held with the local authorities to ensure they were also aware of what kinds of opportunities would be offered. Contracts are awarded on competitive basis (see above).</p> <p>Contractors have specifically been told by the Project Company to try to hire local people for jobs. Although the Project Company employs an international security firm (G4S) to provide site security services, the Project Company uses many people from the Sahab Governorate for its workforce. The Project Company also seeks to employ individuals from the local community directly where possible and two people from the Al Manakher village are employed in full-time permanent roles as semi-skilled engineers/technicians. The Project Company also provides employment to between 30-40 daily unskilled labourers from the surrounding area and these opportunities are publicly advertised in print media which is accessible by Al Manakher residents as well as the surrounding communities (see above). Both IPP1 and IPP4 project companies have sought to encourage local communities to develop skills through offering 2 scholarships each (i.e. 4 in total each year), to support members of the local community through public university. To date, four residents have taken up this offer. Recent comments from the community suggest they would like more of these scholarships and places at private Jordanian universities should also be eligible for funding. The Project Company is currently considering this request.</p> <p>With regard to resettlement, the land was not obtained from local communities; it is leased from the Ministry of Finance and was unoccupied and unused. No resettlement was therefore necessary.</p> <p>With regard to Indigenous Peoples, please see answer above in box 17.</p> <p>Section 6.8 of the ESIA includes an assessment of socio economic effects of the Project on local communities, identifying both negative and positive impacts. The outcome of this assessment is the preparation of the ESMMP which identifies the ways the Project Company will minimise impacts and maximise opportunities. The ESMMP also outlines monitoring responsibilities.</p> <p>With regard to ESIA section 6.8.9, the Project Company has, where possible, provided employment to skilled and semi-skilled members of the local community. The security contractor employs individuals from the Sahab Governorate and the Project Company has hired two semi-skilled engineers/technicians as full-time employees.</p> <p>The proposal in the ESIA to consider collaboration with the Vocational Training Centre in the</p>
---	--

<p>specifically excludes local community employment both directly and via contractors.</p> <ul style="list-style-type: none"> • Quotes from resettlement requirements. • Quotes from Indigenous Peoples requirements. • Project Company's ESIA 6.8.1 states that the main objective of the socio-economic impact assessment is to evaluate the long term effects that are expected from activities relating to the Power Project, and investigate how the Power Project would change the quality of life of current and future residents of communities in the area. • ESIA 6.8.9 states that the mitigation measures and monitoring programmes relating to operation are those associated with: Employment and Training / Availability of Benefit Packages for Employees: The Power Project is expected to create permanent and temporary jobs for both skilled and non-skilled workers. Therefore it is highly recommended that, wherever possible, the Consortium gives priority to the local community (i.e. Al-Manakher and then the Sahab District). • In order to make the local employment more successful, AES should arrange (in cooperation with the Vocational Training Centre in the Amman Governorate) to help create adequate training so that a larger percentage of the local population has the basic qualifications needed for the Power Project. 	<p>Amman Governorate has not been implemented, however the Project Company has set up a training program with the Jordan Engineers Association ("JEA") in which trainees spend 6 months working at the Project site and receive a monthly salary from the Project Company and JEA. 14 engineers (including 2 from the Sahab area) have received training in this way during 2014 and 2015. The Project Company also has a training program with universities in Jordan for technical university students to undertake 2-3 month work experience assignments at the plant and 10 such students (including 2 from the Sahab area) have taken part in this program in 2014 and 2015. The Lenders intend to continue working with the Project Company to identify meaningful training initiatives and, if appropriate, provide TC funds to support their implementation.</p>
<p>20. Preferential treatment of local companies with competitive rate prices for plants services &</p>	<p>The Project Company uses AES corporate guidelines for the procurement of goods and services and advertises major tenders in local press. Much of the equipment and services procured are of a</p>

<p>procurements</p> <ul style="list-style-type: none"> The tender procedure should be established according to an approved set of criteria including preferential treatment of local companies with competitive rate prices for plants services & procurements. The Project Company relies on certain contractors through senior project engineers for all procurement &/or services needed for the plant and does not announce tenders in a public/transparent way, which means local businesses are not able to provide these goods and services. 	<p>specialist nature and cannot be provided from within the local community. The Project Company requires security services to be provided by an internationally-recognised security contractor but has instructed the firm to select employees from among the local community wherever possible. When the Project Company employs unskilled labour, opportunities are announced in the local press and the Project Company operates a roster to ensure fair allocation of jobs in case supply of labour exceeds demand.</p>
<p>21. Support & Development to local affected people & the surrounding affected environment: (No real support is given to local affected communities a part of very few non-related to development donations for the purpose of pleasing some people & decision makers).</p> <ul style="list-style-type: none"> Concern that no real support is given to local communities except for donations for public relations purposes. Comments on Indigenous People's requirements. 	<p>The Project Company has a social responsibility programme and has implemented numerous projects like solar heater installation, solar PV module installation, scholarships for students, repair and extension of the village school, a free medical camp and a school playground. The Project Company intends to pay for construction of a community social centre, although the two branches of the village have not yet agreed on where it is to be located. The Project Company is aware that the local community would like further support, including direct financial transfers from the Project Company to pay their utility bills. However the Project Company has a policy of not providing direct financial contributions to local communities. It estimates that the total cost of its community activities sum to more than USD 1 million to date. Residents are welcome to make suggestions for social investment projects to the liaison committee or direct to the Project Company for consideration.</p> <p>With regard to comments about <i>Indigenous Peoples</i>, as clarified above in item 17, this does not apply in the Project area.</p>
<p>22. Indigenous people compensation:</p> <ul style="list-style-type: none"> Comments on Indigenous People's requirements and resettlement. 	<p>With regard to comments about <i>Indigenous Peoples</i>, as clarified above in item 17, this does not apply in the Project area.</p> <p>With regard to Resettlement, as stated previously, the Project site was on arid land, which was not used by the local community. The proper land acquisition process was conducted by the Government prior to the Sponsors' involvement and leased to the Project Company. The ESIA confirmed that the Project does not involve the resettlement or the removal of land from</p>

	ownership of individuals used for crops.
23. General: <ul style="list-style-type: none"> Quotes from IFC requirements on human rights, grievances, engagement with local communities, compliance with national laws, contractor responsibility. 	<p>This section is a long list of IFC requirements. It is unclear if the complainant is stating that they are not being met or what concerns are being raised beyond those included in the previous sections. As outlined above, the Lenders monitor the implementation of the commitments through several routes including quarterly operating reports, review by the Independent Engineer, annual environmental and social reports, regular meetings with the Project Company and local community and site visits. It should also be noted that the IFC PSs do not apply to the EBRD, under its Environmental and Social Policy EBRD financed operations must comply solely with EBRD PRs.</p>

Annex 3: Client Response

No	Concerns Raised	AES Response
1	<p><i>Absent of local affected communities involvement in ESIA: (The local affected communities weren't practically involved in the ESIA which was tailor-made for the power project to be installed in the populated area & right in the middle of our agricultural lands).</i></p> <p><i>The local affected communities & stakeholders involvement is not limited to Almanaker inhabitants& shouldn't be selected by the government, but it includes Khashafiat Aldabaibah, Khashafiat Alshawabkah, Albaida, Almadounah, Alalia, Alabdaliah, Abu Alandah.</i></p> <p><i>The objective of SEP isn't for the purpose of explaining how the company will communicate with the affected communities & stakeholder, but it should give us the right to have access to environmental information including policies & measures taken , the state on human health & safety and should give us the right to be part of the decision _making in ESIA, and give us the right to review procedures to challenge government decisions made without respecting the access to environmental information & public participation in environmental decision _making.).</i></p>	<p>Public consultation, interaction and information sharing was carried out during development of the ESIA, and following financial close in January 2013, in accordance with the Stakeholder Engagement Plan (SEP). You will find more information on the meetings that were held with the local communities and the disclosure of information to those communities in Section 4 of the SEP.</p> <p>The main forums for engagement between AES and the local community are two committees that have been set up to represent local inhabitants and facilitate communication between the community and the company: the Roboo Al Manakher committee, chaired by [REDACTED] and the Al Kherba committee, chaired by [REDACTED]. Both are formally registered with the Jordanian Ministry of Social Development.</p> <p>ESIA was prepared by independent third party and approved by all governmental entities</p> <p>The ESIA does provide information to support that Almanakher (i.e. the Project Affected Community identified) were consulted as part of the ESIA (e.g. pp257 and 283.).</p> <p>As detailed in the ESIA section 8, two scoping session were conducted. The first one was a formal session in the Holiday Inn in Amman, many NGO's and official parties attended this session. The second session was conducted in Al Manakher village after house to house survey. We invited the local Governor and asked him to invite the relevant authorities and parties. Other villages were not directly invited because they are deemed to be remote and not affected by the project.</p>

No	Concerns Raised	AES Response
2	<p><i>SEP is considered as "Social License" & appointing & holding meetings with certain people selected by the government authorities at the client's interests doesn't represent the type of SEP stated in PS#1-25 (Stakeholder engagement is an ongoing process that may involve, in varying degrees, the following elements: stakeholder analysis and planning, disclosure and dissemination of information, consultation and participation, grievance mechanism & ongoing reporting to Affected Communities. The nature, frequency, and level of effort of stakeholder engagement may vary considerably and will be commensurate with the project's risks and adverse impacts, and the project's phase of development)</i></p>	<p>ESIA of the project provided guidelines of the stakeholders identification and engagement. The public consultation process allowed for the discussion of the Power Project directly between members of the ESIA Project Team and members of the local community (principally residents of the village of Al-Manakher). Al-Manakher Village was selected as the most appropriate location for the public consultation as it represents the nearest community to the Power Project site and, as a result, its residents will be most affected. The public consultation process was conducted by two methods.</p> <ol style="list-style-type: none"> 1. House to house meetings with local people to explain the nature of the Power Project and its expected impacts and benefits. 2. Public meeting in Al-Manakher Village as part of the scoping process. <p>Interaction between the local community and AES is an ongoing process, all interactions are under the local governor supervision and advice, and none of the local community is appointed or selected by the government authorities.</p> <p>Disclosure and dissemination of information is done by providing quarterly Health, Safety and Environment reports to the Governor of Sahab and has been posting them on the notice board outside Al Manakher School since March 2015.</p> <p>AES welcomes discussion about its operations, including any concerns. The company has established a grievance mechanism which allows people to direct concerns through the Governor of Sahab or through the Al Manakher village committee. As above, two stakeholder committees have been formally established; one of their functions is to deal with local concerns. Specific contact details for the purpose of submitting any concerns in Section 5.1 of the SEP and details of the grievance mechanism are in Section 5.1&5.2 of the SEP. A suggestion box/ register with the contact phone numbers are available at the main gate of the plant and communicated verbally to all villagers through the village committees and during the scoping session</p> <p>Also Appendix A of the SEP contains a sample complaint form to allow local affected communities register their concerns of potential project impacts for consideration and mitigation.</p> <p>A summary of the consultation activities can be found in section 4.4 table 3 in SEP. The table clearly mention that Residents of Al Manakher are Closest community to the project and will potentially be directly affected by the project while Residents of Sahab and other communities in the immediate vicinity of the project are Unlikely to be directly affected</p>

No	Concerns Raised	AES Response
3	<i>IFC PS#1-26 states that Clients should identify the range of stakeholders that may be interested in their actions (not selected by local governor to meet client's interests) and consider how external communications might facilitate a dialog with all stakeholders. Where projects involve specifically identified physical elements, aspects and/or facilities that are likely to generate adverse environmental and social impacts to Affected Communities the client will identify the Affected Communities (not deliberately chosen by the client & the government which are part of the problem)and will meet the relevant requirements described below..</i>	The range of stakeholders was identified as per section 3.1 table 2 in SEP and was not selected by local governor to meet AES interests , communication with stakeholders is described in point No 1& 2
4	<i>IFC PS#1-27 states that When the stakeholder engagement process depends substantially on community representatives, the client will make every reasonable effort to verify that such persons do in fact represent the views of Affected Communities and that they can be relied upon to faithfully communicate the results of consultations to their constituents (not biased selection of certain area inhabitants that suits the client's interests & conceal the environmental crimes).</i>	Community representatives (the two committees) are appointed and selected by the villagers themselves , Both are formally registered with the Jordanian Ministry of Social Development. No complain on these two committees was noticed Through Frequent communication with individuals from the village and local authorities . Residents of Al Manakher are Closest community to the project and will potentially be directly affected by the project while Residents of Sahab and other communities in the immediate vicinity of the project are Unlikely to be directly affected
5	<i>IFC PS#1-GN93 states that If the process to identify risks and impacts indicates that there may be potential impacts and risks to the Affected Community, companies should seek early engagement with them.</i>	It was done through stakeholder engagement plan . The purpose of IFC PS1-25 is not to guarantee absolute right to access any information from AES. It provides a channel of communication (including sharing of relevant information) between AES and the project affected communities. sufficient evidence within the SEP to demonstrate that effective consultation with identified project affected communities has been undertaken, within the context of existing cultural constraints. Table 3 of the SEP contains a list of the various stakeholder engagement activities undertaken

No	Concerns Raised	AES Response
6	<p><i>IFC PS#7-GN30 states that there may be situations where likely project scope and location are Known, but where the engagement process with Affected Communities of Indigenous Peoples is not yet sufficiently advanced to have obtained FPIC at the time of project approval. In such cases the overall principles and engagement process, and criteria for obtaining FPIC, should be agreed on before project approval. As a minimum FPIC should be obtained prior to any of the circumstances requiring FPIC taking place.</i></p>	<p>FPIC was not applicable for this facility. NEPCO was already the landowner of the site prior to involvement of AES and Mitsui. Key project information has already been fully disclosed including the ESIA and non-technical summary, SEP and Environmental and Social Mitigation & Monitoring Plan (ESMMP). The SEP clarified how consultation would be undertaken. Public meetings were held and the community liaison committees were established to ensure flow of information about the project to the affected communities and to facilitate resolution of concerns. Suggestions for improving communication are welcomed.</p> <p>The circumstances that require implementation of a Free, Prior and Informed Consent (FPIC) are specified under IFC PS74. Generally, these are associated with the presence of “indigenous Peoples”, as defined under IFC PS7 paragraph 125. Indigenous Peoples have not been identified as part of the ESIA so it is not applicable to the project company. Furthermore, the project land was acquired by the government in 2006 prior to approval of IPP4 and has since been leased to IPP4 as a clear and unoccupied land</p>
7	<p><i>IFC PS#1-GN6 states that an effective engagement process allows the views, interests and concerns of different stakeholders, particularly of the local communities directly affected by the project(Affected Communities), to be heard, understood, and taken into account in project decisions and creation of development benefits (client ignores our complaints & no developments are made for local affected communities)</i></p>	<p>The process of Communication, suggestions and complains with the local communities are already described above , development for local affected communities by AES is an ongoing process , AES has a social responsibility programme and has implemented numerous projects like solar heater installation, solar PV module installation, supplying blankets heating devices and gas cylinders to Al Manakher village , supplying furniture, to the mosque scholarships for students, repair and extension in village school , distributing food boxes and wheel chairs in the holy month of Ramadan and a free medical camp. All these are relevant to the people of nearby community. Residents are welcome to make suggestions for social investment projects to the Community Liaison Committee for discussion with the company.</p>
8	<p><i>IFC PS#1-22 states that the local communities (NGO) should appoint a liaison officer who will be qualified & not tailor-made by client & Sahab Governor to meet the client's interests & to get away with some technical responsibilities.</i></p>	<p>Communication with local communities is through the two committees mentioned above and through the local governor , Paragraph 22 of PS1 does not necessitate local affected communities (NGO) to appoint a Liaison Officer. The referenced paragraph of IFC PS1 deals with ‘Monitoring and Review’. In line with IFC PS1 requirements, an independent Technical Advisors -Mott MacDonald, Royal Scientific Society and SGS - have been appointed to undertake the project monitoring for AES</p>

No	Concerns Raised	AES Response
9	<p><i>2. Absence of Grievance Mechanism: (The client doesn't provide any kind of grievance mechanism, nor did they appoint a liaison officer from local affected communities to play this role)</i></p> <p><i>IFC PS#1-35 states that where there are Affected Communities, the client will establish a grievance mechanism to receive and facilitate resolution of Affected Communities' concerns and grievances about the client's environmental and social performance. The grievance mechanism should be scaled</i></p> <p><i>to the risks and adverse impacts of the project and have Affected Communities as its primary user. It should seek to resolve concerns promptly (The client refers all complaints to the local governor or the government of Jordan).</i></p> <p><i>IFC PS#5-11 states that the client will establish a grievance mechanism consistent with</i></p> <p><i>Performance Standard 1 as early as possible in the project development phase. This will allow the client to receive and address specific concerns about compensation and relocation raised by displaced persons or members of host communities in a timely fashion, including a recourse Mechanism designed to resolve disputes in an impartial manner. (The client doesn't welcome any concerns, on the contrary, the client completely ignores the concerns & claims & doesn't respond at all & we have many correspondences showing that).</i></p> <p><i>The client didn't establish any grievance mechanism that address human rights issues & they</i></p> <p><i>Ignored the local communities' concerns.</i></p> <p><i>The grievance mechanism is an alternative to an external dispute resolution processes, so it should offer the advantage of locally based, simplified & mutually beneficial way to settle issues within the framework of the company-community relationship & not through external dispute resolution such as Sahab Governor or biased government-client selected village committees formed to fulfill client's illegal interests.</i></p> <p><i>Client's ESIA 6.8.9 states that In order to minimize the potential negative impacts of operation and to maximize positive impacts, AES should establish a Grievance Mechanism as part of the overall Management System to ensure that proper consultation, disclosure and community engagement is included throughout the Power Project lifecycle (The client didn't implement any Grievance Mechanism at all).</i></p> <p><i>As a policy, mechanism or process for handling grievances cannot be effective if no one knows</i></p> <p><i>about it, the Grievance Mechanism should be documented and publicized and should be readily available to the relevant Stakeholder Groups</i></p>	<p>AES welcomes discussion about its operations, including any concerns. The company has established a grievance mechanism which allows people to direct concerns through the Governor of Sahab or through the Al Manakher village committee. As above, two stakeholder committees have been formally established; one of their functions is to deal with local concerns. Specific contact details for the purpose of submitting any concerns in Section 5.1 of the SEP and details of the grievance mechanism are in Section 5.2 of the SEP. A suggestion box/ register with the contact phone numbers are available at the main gate of the plant and communicated verbally to all villagers through the village committees and during the scoping session</p>

No	Concerns Raised	AES Response
10	<p><i>Absence of Environmental, Social, Health & Safety periodic reports to local affected communities: EHS guidelines involve establishment of specific targets based on environmental assessments & environmental audits which should be conducted by neutral specialized credible accredited third party with the involvement of qualified representatives of the local affected communities & not tailor-made to fulfill client's illegal interests by the Jordanian Government Authorities who are acting as the client's defense lawyers.</i></p> <p><i>EHS reports should be tailored to the hazards & risks of the project on the basis of the results of an environmental assessment & the applicability of specific technical recommendations should be based on the professional opinion of qualified, experienced accredited bodies with the witness of local communities & client's representatives.(we never heard of any reports & if any lately done by the polluter they are biased between government & client when asked to do it).</i></p> <p><i>The local affected communities are severely suffering from environmental, health, social & economical impacts of IPP 4 & we aren't kinder garden kids to be treated this way. EHS related to air emissions, GHG emissions, effluents, noise & hazardous waste management weren't properly prevented, minimized nor controlled.</i></p> <p><i>Due to the lack of neutral, specialized, credible & accredited third party national air quality management framework, the client should consider the option of relying on an appropriate combination of using cleaner fuels & using more effective pollution controls (the client didn't & doesn't have the intent to do so).</i></p> <p><i>The periodic reports should be provided by the client to the affected local communities & should describe the progress of implementation of the project action plans on issues that involves risks & impacts on local communities & on consultation & grievance mechanism issues & the frequency of these reports depends on the concerns of affected communities & not quarterly & not provided as per the local governor request (we never heard of such reports at all).</i></p> <p><i>IFC PS#1-GN99 states that Information disclosure involves delivering information about the project to the Affected Communities and ensuring access to such information by other stakeholders. The information should be in appropriate language(s), and accessible and understandable to the various segments of the Affected Communities. For example, information can be made available house-by-house, in city halls, public libraries, in the local print media, over the radio, or in public meetings.(No periodic reports were published at all).</i></p> <p><i>IFC PS#1-36 states that the client will provide periodic reports to the Affected Communities that describe progress with implementation of the project Action Plans on issues that involve ongoing risk to or impacts on Affected Communities and on issues that the consultation process or grievance mechanism have identified as a concern to those Communities.</i></p> <p><u>(TO BE CONTINUED BELOW)</u></p>	<p>The project company provides quarterly Health, Safety and Environment reports in Arabic language to the Governor of Sahab and has been posting them on the notice board outside Al Manakher School since March 2015.</p> <p>External audits and tests are performed periodically by neutral specialized credible accredited third parties such as SGS ,Ministry of Environment , Royal Scientific Society , Parsons Brinckerhoff (British based consulting firm) and AES Lenders and their Independent Engineer, Mott MacDonald Ltd</p> <p>Noise control/ minimization measures for IPP4 were implemented in the development phase. A number of measures have been implemented including (i) installation of ultra-low noise radiators at a cost of USD 3 million, (ii) location of the engine hall inside heavy insulated sandwich panels, and (iii) the whole plant was shifted and pushed to the back towards NEPCO substation to minimise the noise towards the village. The project company undertakes noise monitoring at the plant boundary, which shows the plant noise to be within limits set by both Jordanian law and by the World Bank. 02 months unattended noise monitoring station is also done by , Parsons Brinckerhoff (British based consulting firm) at the school by which records noise at the receptor location , results were satisfactory . both plant noise boundary is measured quarterly by independent third party and results are monitored by lenders and communicated to villagers , MOE and Sahab governor as a part of the quarterly reports</p> <p>The measures to control emissions are described in more detail in the ESIA (in particular Section 6.2) and the ESMMP but in summary the main measures are (i) the control of fuel quality, (ii) the installation of a Selective Catalytic Reduction system and (iii) the adoption of high efficiency combustion technology and appropriate stack design. In IPP1 (Amman East) low NOx burners are used. Both projects employ CEMS technology which monitors stack emissions continuously (24 hr/7 days/week). Stack emissions are monitored and measured continuously using CEMS. SO2, NOx, CO and PM/TSP are measured. CO2 monitoring is not required as CO is monitored. CO2 emissions are calculated and reported annually. Likewise, PM/TSP (Total Suspended Particles) are also monitored.</p> <p>The results of the emissions monitoring are reviewed on a quarterly basis by the lenders and their Independent Engineer, Mott MacDonald Ltd. These results confirm that the IPP4 plant is in compliance with the ESMMP and ESIA limits. As noted above all fuel supplied to date has been in compliance with relevant requirements. CEMS is calibrated as per OEM guidelines. No 3rd party is employed to undertake CEMS and nor is this required by local or international guidelines. Independent verification is done as needed and the plant is also monitored by the lenders' Independent Engineer.</p> <p>Sludge oil and used lube oil from the site goes out via contractors which are approved by the Ministry of Environment. Sewage goes out by Amman Municipality trucks. All disposal quantities and contracts are recorded by the AES and are going to approved contractors.</p> <p><u>(TO BE CONTINUED BELOW)</u></p>

No	Concerns Raised	AES Response
10	<p><i>IFC PS#1-Annex-B briefly describes what information will be disclosed, in what formats, and the types of methods that will be used to communicate this information to each of the stakeholder groups identified. Methods used may vary according to target audience, for example: Newspapers, posters, radio, television, Information centers and exhibitions or other visual displays, Brochures, leaflets, posters, summary documents reports. IFC PS#4-GN3 states that when complex health or safety issues are involved, it may be appropriate for the client to engage external experts for a free-standing assessment, complementing the risks and impacts identification process.(No external or local experts were engaged at all).</i></p>	<p>AES IPP4 has a designated hazardous waste storage facility where all such waste is stored before disposal, in accordance with good international practice. All disposals are made as per law through Ministry of Environment approved contractors and subject to the Ministry's inspections of storage facilities, waste management procedures and recordkeeping.</p> <p>Monthly testing of fuel is carried out to check compliance. However, it should be noted that fuel compliance is under NEPCO responsibility. All fuel delivered to date has been compliant with the required specification.</p> <p>For the request for community involvement in testing; however, for safety reasons, only licenced contractors are able to be involved in witnessing or participating in the testing on the site. AES reports information to the Community Committees which are able to raise any specific technical questions.</p> <p>Parsons Brinckerhoff UK has recently undertaken an extensive program of compliance noise testing for the IPP1 and IPP4 sites. Noise monitoring equipment was set up at two locations at the adjacent Al Manakher village at; Al Manakher School and the closest house to the IPP4 site boundary, approx 30m from the site boundary. The noise monitoring equipment was set up and left to monitor noise levels continuously for a period of three months, all noise monitoring was undertaken in compliance with the requirements as set out in ISO 1996 – Parts 1&2. The results of the noise study have been issued to the European Bank for Reconstruction and Development (EBRD).</p> <p>The outcome of the study has demonstrated that noise from the operation of IPP1 and IPP4 meet compliance with both the World bank / IFC noise guidelines, and the Jordanian noise limits. The results of the study demonstrate that noise limits are met at the closest receptor locations to the power plant site. Therefore, as noise energy decreases with distance, the noise limits will be met at all receptor locations in the wider area.</p> <p>The Parsons Brinckerhoff Engineer who undertook the compliance noise study in Jordan is a member of the UK Institute of Acoustics. Parsons Brinckerhoff is a Corporate Member of the Association of Noise Consultants.</p>

No	Concerns Raised	AES Response
11	<p><i>4. Incomplete & unsatisfactory adoption of Environmental & Social Mitigation & Monitoring Program: (Absence of adopting of ESMMP as stated in the ESIA except for non-complete stack monitoring without involvement of local communities & occasional non-neutral water authority testing of effluents. See details below).</i></p> <p><i>IFC PS#1-22 states that clients will consider involving representatives from Affected Communities to participate in monitoring activities. (the client denies the right of local affected communities 'representatives involvement in the monitoring activities).</i></p> <p><i>Client's ESIA states that a stack height of at least 70 m is therefore recommended for the Power Project to ensure compliance with World Bank / IFC Guideline for NO2. (Is the real height of IPP 4 stacks 70 or 50m???)</i></p> <p><i>Client's ESIA states that The World Bank / IFC Guidelines have been used as they are more stringent than the Jordanian Standards for ambient air quality. (IFC guidelines should be applied). ESMMP should include the engagement of local affected communities representatives in all processes related to social & environmental after training them. (not accomplished by the client).</i></p> <p><i>The client claims that they test the fuel used in the plant every month & it complies with IFC standards & guidelines & the truth is that the fuel used in IPP 4 sulfur, ash & carbon content way above the allowed IFC levels.</i></p> <p><i>Client's ESIA 6.2.71 states that whilst the design of the Power Project allows for the reservation of development area for the installation of FGD equipment, it is considered that the primary method for the control of SO2 emissions (from any thermal power plant) is to reduce the Sulphur content of the fuel. (This is not done at all as fuel sulfur content exceeds 6%).</i></p> <p><i>The client is conducting the stacks monitoring so the client is acting as the criminal & judge at the same time & we don't trust the polluter to do that & the client stated in its ESIA that they monitor NO2, CO, O2 & never mentioned monitoring SO2, PM2.5, PM10, O3, H2S, & they refuse to involve the victim (us) to be involved in this testing.</i></p> <p><u>(TO BE CONTINUED BELOW)</u></p>	<p>Regarding involving representatives from Affected Communities to participate in monitoring activities: see reply above</p> <p>Stack height confirmed to be 70 meter</p> <p>AES Jordan confirm that The World Bank / IFC Guidelines are been used as they are more stringent than the Jordanian Standards for ambient air quality. (IFC guidelines are applied).</p> <p>ESMMP should include the engagement of local affected communities: the ESMMP was done by independent third party and approved by all official and governmental authorities with full engagement of local affected communities</p> <p>Fuel test and quality : monthly fuel quality test is carried out by independent third party (DNV –Dubai) , all results are within limits (Sulphur is less than 1%) and all records are maintained by AES Jordan</p> <p>stacks monitoring: see above reply, for air quality monitoring There is a permanent ambient air monitoring station that measures ambient air quality continuously (24/7). NOx, SO2 and PM10 are monitored in the station. Annually, an independent 3rd party is used to carry out ambient air testing. The last such test was in 3Q 2014 by the Royal Scientific Society. In addition the Ministry of Environment carried out a comprehensive audit of the IPP1 and IPP4 plants, covering all environmental aspects including waste management, water treatment, noise and emissions to air on 23 March 2015 and 12 April 2015. They did not identify any concerns or non-compliance with the environmental requirements. As agreed with lenders at the time of approval of Ambient Air Monitoring Plan that in the initial operational period of IPP4, a mobile air quality monitoring station will be used to sample air quality from a second location. This second monitoring site will be selected from one of the areas of predicted maximum impact. The mobile monitoring station will be used to collect samples over 24hr duration once a month for the first 6 months to determine the correlation between the permanent site and the area of maximum impact. The continued requirement for monitoring at the second site and the specific frequency of monitoring for the mobile location will be assessed and mutually agreed with the lenders after first 6 months based on the results.</p> <p><u>(TO BE CONTINUED BELOW)</u></p>

No	Concerns Raised	AES Response
11		<p>The requirement for a second permanent site will be based on the correlation of results between the permanent monitoring station located at the IPP4 site with the mobile monitoring station site. A second permanent site will be established if both of the following conditions are met:</p> <ol style="list-style-type: none"> data is not very well correlated to the on-site location, and results are greater than the 25% of the relevant standards The monitoring at second location was carried out by 3rd party using approved measuring technique. The values which were erratic / having more than +- 100% variance were discarded. <p>The results of the monitoring are as under:</p> <ol style="list-style-type: none"> The second monitoring was carried out in the zone of maximum concentration as per the modelling carried out in EIA and agreed in Ambient Air Monitoring Plan. The results were as under: <ol style="list-style-type: none"> Overall average value of SO₂ was 54% less than that measured in on-site station Overall average value of NO₂ was 14% less than that measured in on-site station Overall average value of PM₁₀ was 29% less than that measured in on-site station These values show that the ambient air condition at the second location is better than that around the on-site monitoring station. So, the on-site monitoring station is measuring the worst scenario and is in zone of higher concentration. At the second location, no exceedances were recorded to SO₂, NO₂ and PM₁₀ hourly and daily limits stated in the Jordanian standards. <p>Based on these results, the project company met the requirement as stated in Ambient Air Monitoring Plan. So, second off-site monitoring station will not be installed.</p>

No	Concerns Raised	AES Response
12	<i>IFC PS#3-12 states that the client should ascertain whether licensed disposal sites are being operated to acceptable standards and where they are, the client will use these sites (IPP 4 dispose hazardous waste & sludge in nearby agricultural lands which belongs to local communities & the client sells the contaminated oil to Known local contractors).</i>	Sludge oil and used lube oil from the site goes out via contractors which are approved by the Ministry of Environment. Sewage goes out by Amman Municipality trucks. All disposal quantities and contracts are recorded by the project company and are going to approved contractors. The project company has a designated hazardous waste storage facility where all such waste is stored before disposal, in accordance with good international practice. All disposals are made as per law through Ministry of Environment approved contractors and subject to the Ministry's inspections of storage facilities, waste management procedures and recordkeeping. Contractor has record that all waste are disposed properly at designated place by municipality and MOE.
13	<i>IFC PS#1-17 states sufficient management sponsorship and human and financial resources will be provided on an ongoing basis to achieve effective and continuous environmental and social performance (the client should bear the cost of the monitoring activities & any related tasks linked with it).</i>	AES Jordan Senior leadership is committed to provide all resources needed to provide an ongoing effective and continuous environmental and social performance program , this commitment is clearly stated in AES Jordan HSE Policy, beliefs and principles
14	<i>IFC PS#1-GN#30 states that Audits should be used to identify risks and impacts, and to evaluate the effectiveness of the management system in place, conformity with the Performance Standards, and regulatory compliance. Environmental and social audits should provide identification and quantification of environmental and social risks and impacts, including liability, in a systematic, documented and objective process. The audit should document the main environmental and social aspects associated with the asset (e.g., air emissions, wastewater effluents, hazardous waste generated, historical pollution and contaminated sites, land acquisition issues, occupational health and safety, public/community safety, labor management and standards, impacts on cultural resources, internal and external grievances, disputes), and identify the key environmental and social risks and impacts associated with the asset. The audit should also assess management and mitigation measures, and identify additional corrective actions required to ensure compliance. Improvement opportunities should be considered and identified, to include community development programs (the audit is pre-arranged between client & government & RSS & is tailor-made to be compliant & no need for any corrective measures).</i>	External comprehensive audits and tests are performed periodically by neutral specialized credible accredited third parties such as SGS ,Ministry of Environment , Royal Scientific Society , Parsons Brinckerhoff (British based consulting firm) and AES Lenders such as European Bank for Reconstruction and Development and their Independent Engineer, Mott MacDonald Ltd AES external Corporate integrated health ,safety and environment and internal HSE audits is done as per global AES guide lines All findings from such audits are followed in a SMART way and reported to all concerned entities

No	Concerns Raised	AES Response
15	<p><i>IFC PS#1-19 states that for projects posing potentially significant adverse impacts or where technically complex issues involved, clients may be required to involve external experts to assist in risks and impacts identification process. (the client claims that they are not required to accomplish the monitoring through third party & they insist to use RSS). IFC PS#1-22 states that for projects with significant impacts, the client will retain external experts to verify its monitoring information</i></p> <p><i>IFC PS#1-23 states that the client will document monitoring results and identify and reflect the necessary corrective and preventive actions in the amended management program and plans. The client, in collaboration with appropriate and relevant third parties, will implement these corrective and preventive actions, and follow up on these actions in upcoming monitoring cycles to ensure their effectiveness.</i></p>	<ul style="list-style-type: none"> • General statement , involvement of <i>external experts is done as mentioned above</i> • For point IFC PS#1-23 , please see the reply for point No 14 above
16	<p><i>IFC PS#1-85 states that the factors to be considered in establishing an environmental monitoring program typically include (but are not limited to) engineering estimates, environmental modeling, pollutant source (e.g., emissions to atmosphere, wastewater effluents, solid and hazardous waste), noise, ambient water quality and quantity (both surface and groundwater), air quality, and workplace contaminant measurements. The focus and extent of the monitoring should be commensurate with the risk of the pollutant releases as related to the sensitivity of the surrounding areas, taking into account the Affected Community's perception of risks to their health and environment resulting from the project. Appropriate processes should also be in place to ensure the reliability of data, such as calibration of instruments, testing of equipment, and software and hardware sampling (accredited laboratory). Specific environmental monitoring measures comprise the parameters to be measured, sampling and analytical methods to be used, sampling locations, frequency of measurements, detection limits (where appropriate), and the definition of thresholds that signal the need for corrective actions (the need for neutral specialized & accredited third party with involvement of representatives from local affected communities)</i></p>	<ul style="list-style-type: none"> • AES Jordan environmental monitoring program is established based on pollutant sources, local laws and regulations , lenders requirements , results from any inspections and audits , risk assessments results (severity and probability) and any related IFC guide lines • All devices used are calibrated periodically as per O&M guide lines and IFC guide lines

No	Concerns Raised	AES Response
17	<p><i>IFC PS#1-86 states that the client should normally carry out the monitoring using competent professionals or other external experts (the client either conducts monitoring alone or through RSS or water authority & none of them are professionals or experts in this field), as part of its management system and programs. In certain cases (such as projects with potential significant adverse risks and impacts), due diligence conducted by financiers may result in the imposition of additional monitoring and/or verification of client monitoring (for example, as part of the supplemental action plan agreed with the client), including the appointment of qualified and experienced external experts to independently verify monitoring results. Participatory monitoring (i.e., involvement of Affected Communities) should be considered where appropriate (projects with potential significant adverse risks and impacts)..(the client refuses the idea of local communities involvement at all because the client is violating all standards). In these cases, the client should evaluate the capacity of those participating in the monitoring and provide periodic training and guidance as appropriate.</i></p>	<p>Please refer to responses in points 16 , 14 and 10</p>
18	<p><i>IFC PS#1-GN110 states that if the project is unable to solve a complaint (as the case of IPP4), it may be appropriate to enable complainants to have recourse to external experts or neutral parties (not done at all).</i></p>	<p>Using external experts or neutral parties is already done (even before the complaint) in all tests, monitoring plans and executions mechanism are established at the early stages of the projects,. project company has engaged to all complains and answered all the concerns thus project company believe that having an external experts is not applicable</p>
19	<p><i>IFC PS#3-10 states that the client will avoid the release of pollutants or, when avoidance is not feasible, minimize and/or control the intensity and mass flow of their release. This applies to the release of pollutants to air, water, and land due to routine, non-routine, and accidental circumstances with the potential for local, regional, and trans boundary impacts.</i></p> <p><i>IFC PS#3-GN29 & GN30 states that the client should monitor emissions. The frequency with which pollutant emissions are monitored should be appropriate to the nature, scale and variability of potential impacts. This may range from continuous to daily, monthly, annually, or less frequently. Monitoring is particularly important for large projects with impacts that may be uncertain and potentially irreversible and consequently in need of more frequent evaluation of emissions levels or ambient quality. In addition, clients should include monitoring processes and indicators within their ESMS to alert them to significant increases in pollutant emissions or impacts on ambient conditions that may be an indicator of problems with manufacturing processes or pollution control equipment that could require corrective action.</i></p>	<p>Please refer to reply mentioned in points No 10 , 11, 12 ,16</p>

No	Concerns Raised	AES Response
20	<p><i>Involvement of local affected communities & Stakeholders in ESMMP: (An arrangement between the client & the local governor was set up to appoint two persons from Almanaker village to represent the local affected communities in order to fulfill the interests of the client..see details below).</i></p> <p><i>IFC PS#1-GN#6 states that an effective engagement process allows the views, interests and concerns of different stakeholders, particularly of the local communities directly affected by the project (Affected Communities), to be heard, understood, and taken into account in project decisions and creation of development benefits.(not biased)</i></p> <p><i>IFC PS#1-22 states that clients will consider involving representatives from Affected Communities to participate in monitoring activities (the client refuses the involvement of local communities in the monitoring tasks).</i></p> <p><i>IFC PS#1-GN86 states that participatory monitoring (i.e., involvement of Affected Communities) should be considered where appropriate (projects with potential significant adverse risks and impacts). In these cases, the client should evaluate the capacity of those participating in the monitoring and provide periodic training and guidance as appropriate.</i></p>	Please refer to replies in points 1,2,3,4 ,10
21	<p><i>IFC PS#1-25 states that Stakeholder engagement (SEP) is an ongoing process that may involve, in varying degrees, the following elements: stakeholder analysis and planning, disclosure and dissemination of information, consultation and participation, grievance mechanism, and ongoing reporting to Affected Communities (not just formal as in IPP4 case). The nature, frequency, and level of effort of stakeholder engagement may vary considerably and will be commensurate with the project's risks and adverse impacts, and the project's phase of development.</i></p>	Please refer to replies in points 1,2
22	<p><i>IFC PS#1-GN93 states that if the process to identify risks and impacts indicates that there may be potential impacts and risks to the Affected Community, companies should seek early engagement with them(not done). Engagement should be based on the timely and effective dissemination of relevant project information, including the results of the process of identification of environmental and social risks and impacts and corresponding mitigation measures.(client ignores local affected communities completely & doesn't respect them or the human rights).</i></p>	Please refer to replies in points 1,2 ,4,5,7

No	Concerns Raised	AES Response
23	<p><i>IFC PS#1-GN94 states that when applicable, and throughout the life of the project, clients should build upon the channels of communication and engagement with Affected Communities established during the risks and impacts identification process. In particular, clients should use the appropriate stakeholders engagement practices described in this Performance Standard to disclose information and receive feedback on the effectiveness of the implementation of the mitigation measures in the clients management system as well as the Affected Communities' on-going interests and concerns about the project.(the client ignores the local communities completely & only satisfies government authorities & certain people who really support the client & the client doesn't even permit local communities to enter the plants nor to be employed in the core work force & the client is very keen to make sure that no representative of the local affected communities is able to see their detail of work inside to hide their violations away from the local affected communities & stakeholders).</i></p>	<p>Please refer to replies in points 1,2,3,4 ,5,10</p>
24	<p><i>IFC PS#1-26 states that clients should identify the range of stakeholders that may be interested in their actions (not appointed by local governor to meet client's illegal interests) and consider how external communications might facilitate a dialog with all stakeholders. Where projects involve specifically identified physical elements, aspects and/or facilities that are likely to generate adverse environmental and social impacts to Affected Communities the client will identify the Affected Communities and will meet the relevant requirements.</i></p>	<p>Please refer to point No 3&4</p>
25	<p><i>IFC PS#1-27 states that the client will develop and implement a Stakeholder Engagement Plan (SEP) that is scaled to the project risks and impacts and development stage, and be tailored to the characteristics and interests of the Affected Communities (not client's illegal interests). Where applicable, SEP will include differentiated measures to allow the effective participation of those identified as disadvantaged or vulnerable. When the stakeholder engagement process depends substantially on community representatives, the client will make every reasonable effort to verify that such persons do in fact represent the views of Affected Communities (not to meet client's interests through appointed ineligible non-neutral persons) and that they can be relied upon to faithfully communicate the results of consultations to their constituents. (not specifically selected from local governor to suit the illegal interests of the client & to hide the severe violations).</i></p>	<p>Please refer to point No 1,2,3,4</p>

No	Concerns Raised	AES Response
26	<p><i>IFC PS#1-GN95 states that stakeholders are defined as persons, groups or communities external to the core operations of a project who may be affected by the project or have interest in it(not just Almanaker population). This may include individuals, businesses, communities, local government authorities, local non-governmental and other institutions, and other interested or affected parties. Stakeholder identification broadly involves the determination of the various individuals, groups or communities who may have an interest in the project or who may affect or be affected by the project.</i></p> <p><i>The process of stakeholder identification includes distinct steps, including (i) identifying individuals, groups, local communities and other stakeholders that may be affected by the project, positively or negatively, and directly or indirectly, particularly those directly and adversely affected by project activities, including those who are disadvantaged or vulnerable (ii) identifying broader stakeholders who may be able to influence the outcome of the project because of their knowledge about the Affected Communities or political influence over them.</i></p>	<p>the range of stakeholders was identified as per section 3.1 table 2 in SEP and was not selected by local governor to meet AES interests , communication with stakeholders is described in point No 1& 2 . The process of stakeholder identification is mentioned in the ESIA point 6.2.40-46</p>

No	Concerns Raised	AES Response
27	<p><i>IFC PS#1-GN97 states that Clients with high-risk projects may need to identify and engage with other stakeholders, beyond those who will be directly affected by the project, such as local government officials, community leaders and civil society organizations, particularly those who work in or with the Affected Communities. While these groups may not be directly affected by the project, they may have the ability to influence or alter the relationship of the client with Affected Communities, and in addition may play a role in identifying risks, potential impacts and opportunities for the client to consider and address in the assessment process.(like Environmental Protection Societies as an NGOs).</i></p> <p><i>When the stakeholder engagement process depends substantially on community representatives the client will make every reasonable effort to verify that such persons do in fact represent the views of Affected Communities and that they can be relied upon to faithfully communicate the results of consultations to their constituents (not fulfill client's interests).If the client complies with all environmental & social issues as they claim, why do they refuse the monitoring, inspection & auditing by neutral, credible, specialized & accredited third party with the involvement of representatives from local affected communities & why does the client insist that all tests, monitoring, inspection and/or auditing is done through RSS or Ministry of Environment and or Water Authority???</i></p> <p><i>IFC PS#1-Annex-B states that key stakeholder groups who have the potential to influence project outcomes or company operations (examples of potential stakeholders are Affected Communities, local organizations, NGOs, and government authorities; stakeholders can also include politicians, other companies, labor unions, academics, religious groups, national environmental and social public sector agencies, and the media).</i></p>	<ul style="list-style-type: none"> • All Monitoring , inspections and audits are done by neutral, credible, specialized & accredited third party(please refer to point No 10) • All stakeholders (such as local government officials, community leaders and civil society organizations) were identified through SEP (refer to point No 1 &2 and refer to point No 3.1 table 2). AES Jordan has a continues communication with such stakeholders like ministry of Environment , NEPCO , Ministry of Interior , Ministry of Energy and Mineral resources , non-government organization such as Jordan Environment Society and Royal Scientific Society

No	Concerns Raised	AES Response
28	<p><i>Fuel content Continuous Testing: (The client claims that monthly fuel tests are carried out & the fuel complies...this is not true at all)</i></p> <p><i>The client complains that fuel compliance falls under NEPCO's responsibility !!! Does this mean that if NEPCO delivers fuel which doesn't comply with the required local & / or IFC standards whichever is more stringent, that the client will use this fuel regardless of its compliance & the blame will be on NEPCO (AES is the owner & operator of IPP 4 & should therefore make sure that everything should comply with the required standards & specifications & NEPCO is just a contractor who is responsible to provide IPP 4 with the required fuel & IPP 4 is the responsible party for compliance of the fuel used in the plant)</i></p>	Please refer to point No 10 and 11 for fuel oil quality
29	<p><i>Continuous pollution emission monitoring program :</i></p> <p><i>Continuous air pollution monitoring is required because the pollution emitted depends on the type of the fuel used, the operation period of the plant, the pollution control equipment used & other factors & it should be conducted by a neutral, specialized, credible & accredited third party with the effective involvement of trained qualified representatives from local affected communities & the client should bear the cost involved.</i></p> <p><i>IFC PS#1-19 states that the process of identification of risks and impacts will consist of an adequate, accurate, and objective evaluation and presentation, prepared by competent professionals(no competent professionals in Jordan to accomplish air pollution emissions). For projects posing potentially significant adverse impacts or where technically complex issues are involved, clients may be required to involve external experts to assist in the risks and impacts identification process.(not accomplished & not acceptable to client & government).</i></p>	For Continuous air pollution monitoring and Continuous Stack emission monitoring program please refer to point No 10 & 11
30	<p><i>Noise Monitoring :</i></p> <p><i>Noise Monitoring should be conducted by a neutral, specialized, credible & accredited third party with involvement of qualified trained representatives from local affected communities in sensitive places.</i></p> <p><i>Nearby houses suffer from cracks & people suffer from disturbance & discomfort (you can ask unbiased people).</i></p> <p><i>Noise Monitoring shouldn't be conducted by the client and or the government authorities or R.S.S as none of them is neutral or credible & accredited.</i></p>	Please refer to point No 10

No	Concerns Raised	AES Response
31	<p><i>Continuous Effluents Monitoring:</i> <i>Client's ESIA6.3.41 states that a suitably qualified Licensed Contractor will dispose of all sludge offsite. In addition, any waste oils will be removed by a Licensed Contractor and disposed of at an appropriate disposal site in the event that the oil cannot be recovered / reused / recycled.(oil is sold to local contractors & others are disposed to nearby lands)</i> <i>Effluents parameters should be continuously tested & monitored by specialized, neutral, credible & accredited third part with the involvement of trained qualified representatives from local affected communities & not through biased government authorities like Jordanian Water Authority.</i></p>	<ul style="list-style-type: none"> • Sludge oil and used lube oil from the site goes out via contractors which are approved by the Ministry of Environment. , no disposal happened to nearby lands. • All effluent parameters are continuously tested & monitored internally and by specialized, neutral, credible & accredited third party • All disposal quantities and contracts are recorded and maintained by the AES Jordan
32	<p><i>Management & Disposal of Hazardous Waste :</i> <i>IFC PS#3-12 states that the client will avoid the generation of hazardous and non-hazardous waste materials. Where waste generation cannot be avoided, the client will reduce the generation of waste, and recover and reuse waste in a manner that is safe for human health and the environment. Where waste cannot be recovered or reused, the client will treat, destroy, or dispose of it in an environmentally sound manner that includes the appropriate control of emissions and residues resulting from the handling and processing of the waste material(some sold & some disposed in agricultural lands by non- licensed contractors). If the generated waste is considered hazardous, the client will adopt GIIP alternatives for its environmentally sound disposal while adhering to the limitations applicable to its trans boundary movement. When hazardous waste disposal is conducted by third parties, the client will use contractors that are reputable and legitimate enterprises licensed by the relevant government regulatory agencies and obtain chain of custody documentation to the final destination (no legitimate hazardous waste contractors are used by the client & the hazardous waste is disposed to agricultural lands and or non-hazardous waste landfills or sold to local contractors like the oil case). The client should ascertain whether licensed disposal sites are being operated to acceptable standards and where they are, the client will use these sites.</i></p>	<ul style="list-style-type: none"> • AES Jordan has a designated hazardous waste storage facility where all such waste is stored before disposal, in accordance with good international practice. All disposals are made as per law through Ministry of Environment approved contractors and subject to the Ministry's inspections of storage facilities, waste management procedures and recordkeeping.no waste is disposed in agricultural lands. • All recycled waste is done by authorized contractors from MOE

No	Concerns Raised	AES Response
33	<p><i>Management & Disposal of Sludge & contaminated Oil : Who is the licensed hazardous waste disposal company that IPP 4 claims to use & where are the manifests of disposed hazardous waste including solid and/or sludge and/or contaminated waste water?? This is not true at all !!!</i></p> <p><i>Sludge oil is sold to contractors & contaminated sludge & water disposed in nearby agricultural lands which belongs to local communities or to non-licensed landfills in nearby land. Sewage is transported by Amman Municipality waste trucks & not tested at Algabawi Waste Landfill to make sure that the sewage doesn't contain any hazardous waste.</i></p> <p><i>Client's ESIA 6.3.41 states that a suitably qualified Licensed Contractor will dispose of all sludge off-site. In addition, any waste oils will be removed by a Licensed Contractor and disposed of at an appropriate disposal site in the event that the oil cannot be recovered / reused / recycled.</i></p> <p><i>The client will avoid the generation of hazardous and non-hazardous waste materials. Where waste generation cannot be avoided, the client will reduce the generation of waste, and recover and reuse waste in a manner that is safe for human health and the environment. Where waste cannot be recovered or reused, the client will treat, destroy, or dispose of it in an environmentally sound manner that includes the appropriate control of emissions and residues resulting from the handling and processing of the waste material. If the generated waste is considered hazardous, the client will adopt GIIP alternatives for its environmentally sound disposal while adhering to the limitations applicable to its transboundary movement. When hazardous waste disposal is conducted by third parties, the client will use contractors that are reputable and legitimate enterprises licensed by the relevant government regulatory agencies and obtain chain of custody documentation to the final destination. The client should ascertain whether licensed disposal sites are being operated to acceptable standards and where they are, the client will use these sites.(the client through non-licensed contractors dispose the sludge, contaminated used water, effluents to agricultural nearby lands and/or non-hazardous & nonlicensed landfills and/or sell contaminated oil). Who is the licensed hazardous waste disposal company that IPP 4 use & where are the manifests of disposed hazardous waste including solid and/or sludge and/or contaminated waste water???</i></p>	Please refer to points No 31&32

No	Concerns Raised	AES Response
34	<p><i>Emission Control Measures :</i> <i>Did the client install FGD to reduce the level of SO2 emissions or did they use HFO or DFO with sulfur content that complies with IFC standards???</i> <i>Did the client install Fabric Filters/ESPs to reduce level of PM emissions or did they use HFO or DFO with Ash & carbon content that complies with IFC standards???</i></p>	<ul style="list-style-type: none"> • No need to install FGD since our fuel sulphur contents are within limits and emission of SO2 is much below WB and Jordanian Guideline , however reserved land is kept free at site for future installation in case FGD is required • No need to install Fabric Filters/ESPs to reduce level of PM emissions since levels of PM are within limits • AES Jordan is using HFO or DFO with Ash & carbon content that complies with IFC standards up to now
35	<p><i>Odor Monitoring :</i> <i>No Odor monitoring is accomplished by the client.</i></p>	<p>Odour is not monitored. There has been no complaint from local community nor from our people working inside the plant. There is no source of offensive odour. Evaporation pond which can be a source of bad odour is monitored by checking BOD and COD level. Water is recycled into the pond by aeration to maintain the level of oxygen and prevent anaerobic conditions.</p>

No	Concerns Raised	AES Response
36	<p>Plant Emergency & preparedness & response report & engagement of local affected communities: We have never heard of any drills carried out by the client as they claim & even the power plant site is actually a forbidden area for the local affected communities to even come close to. The drill the client claimed to have conducted isn't a show business & it is the duty of the client, the responders & the local communities after training them to respond in case of emergency. Liaison Officer is required for all of these communications & grievances to be selected from the local affected communities & must be qualified & eligible person.</p> <p>IFC SP#1-20 states that Where the project involves specifically identified physical elements, aspects and facilities that are likely to generate impacts, the ESMS will establish and maintain an emergency preparedness and response system so that the client, in collaboration with appropriate and relevant third parties, will be prepared to respond to accidental and emergency situations associated with the project in a manner appropriate to prevent and mitigate any harm to people and/or the environment. This preparation will include the identification of areas where accidents and emergency situations may occur, communities and individuals that may be impacted, response procedures, provision of equipment and resources, designation of responsibilities, communication, including that with potentially Affected Communities and periodic training to ensure effective response.(not adopted at all).</p> <p>IFC PS1#-21 states that The client will also assist and collaborate with the potentially Affected Communities and the local government agencies in their preparations to respond effectively to emergency situations, especially when their participation and collaboration are necessary to ensure effective response. If local government agencies have little or no capacity to respond effectively, the client will play an active role in preparing for and responding to emergencies associated with the project. The client will document its emergency preparedness and response activities, resources, and responsibilities, and will provide appropriate information to potentially Affected Community and relevant government agencies.(None is accomplished)</p> <p>IFC PS#4-11 states that the client will also assist and collaborate with the Affected Communities, local government agencies, and other relevant parties, in their preparations to respond effectively to emergency situations, especially when their participation and collaboration are necessary to respond to such emergency situations. If local government agencies have little or no capacity to respond effectively, the client will play an active role in preparing for and responding to emergencies associated with the project. The client will document its emergency preparedness and response activities, resources, and responsibilities, and will disclose appropriate information to Affected Communities, relevant government agencies, or other relevant parties.</p> <p>IFC SP#4-GN23 states that Clients should consider including the Affected Community and other stakeholders in regular training exercises (e.g., simulations, drills, and debriefs of exercises and actual events) to familiarize them with proper procedures in the event of an emergency. Emergency plans should address the following aspects of emergency response and preparedness.</p>	<p>IPP4 has appropriate emergency response plans that are tested at regular frequency.</p> <p>Regarding village involvement, regular drills are carried out with participation by local responders. The last full scale emergency drill was conducted on 11 February 2015 with Amman Civil Defence , the village chief of Al Manakher , nearby police station and Sahab Governor was invited to witness and understand the risk and response. If there is interest in the response plans, more information will be provided to the community liaison committees to convey to the communities. The next such drill is scheduled for the first quarter of 2016.</p> <p>Several training sessions was done at nearby school for students covering , safe electricity handling, safety at road , use of fire Extinguisher and all electrical connections at school was completely innovated and rectified by project company</p>

No	Concerns Raised	AES Response
37	<p>17. Free, Prior, Informed Consent (FPIC) :which include clauses :</p> <ul style="list-style-type: none"> • IFC PS#1-32 • IFC-PS7-GN30 • IFC PS#7-11 • IFC PS#1-30 • IFC PS#1-31 • IFC PS#7-10 • IFC PS#7-GN25 • IFC PS#7-GN51 	FPIC is not applicable, please refer to points No 1,2,6,7
38	<p>Use of PCB (Polychlorinated biphenyl), Ammonia (NH₃), Hydrazine(N₂H₄) & Adenosine Tri- Phosphate (ATP): (the client avoids to involve the local affected communities' contractors in the supply, services and procurement for IPP4).</p> <p>IFC PS#3-GN43 states that the best way to prevent the release of hazardous materials is to avoid using them in the first place. Therefore clients should explore opportunities throughout the project lifecycle to use non-hazardous materials in place of hazardous materials.</p> <p>Client's ESIA 4.1.27 states that In addition to the oil storage, storage facilities will also be provided for the small quantities of chemicals (including sodium phosphate, hydrazine, ammonia/urea and others) used in boiler water dosing. All such chemicals will be retained in suitable containment areas.</p> <p>Client's ESIA 6.4.30 states that Transformers are sealed units, with negligible leakages. The transformer oils will not contain polychlorinated biphenyls (PCBs).</p>	No PCB or any similar material is used at site. There is a 3rd party auditor report confirming this, and it was part of project completion requirement for IPP1 & IPP4.

No	Concerns Raised	AES Response
39	<p>19. <i>Employment & Training of skilled & unskilled personal from local affected people: (The client Deliberately refuses to hire or employ people in the local affected communities in the core workforce to keep them away from discovering their severe violations).include clauses :</i></p> <ul style="list-style-type: none"> • <i>IFC PS#1-GN#46(interfere with the human rights)</i> • <i>IFC PS#1-GN#48</i> • <i>IFC PS#2-GN41</i> • <i>IFC PS#5-GN9</i> • <i>IFC PS#5-9</i> • <i>IFC PS#5-10</i> • <i>IFC PS#5-GN39</i> • <i>IFC-SP5-GN50</i> • <i>IFC-SP5-28</i> • <i>IFC-SP7-GN59</i> • <i>IFC PS#7-2</i> • <i>IFC PS#7-GN51</i> • <i>IFC PS#7-20</i> 	<p>Two scholarships are being provided to students from Al Manakher village. One engineer and one technician from the local area are working full time and around 40 other local workers are working at site on an ad hoc basis. Engineering positions are advertised in Jordanian newspapers and the IPP1 and IPP4 companies would particularly encourage applicants from local communities. For non-skilled labour the companies exclusively use local labour. A Grievance Mechanism is already established to report any Human Rights obligation or requirement by AES Jordan (no complain or specific human right abuses from AES Jordan was addressed or received till now regarding human rights)</p> <p>AES Jordan is located on arid land, which was not used by the local community. The proper land acquisition process was conducted by the Government prior to the Sponsors' involvement and leased to the Project Company. The ESIA confirmed that the project does not involve the resettlement of indigenous peoples or the removal of land from ownership of individuals used for crops.</p> <p>For local affected communities benefit , please refer to point 7 For interfere with the human rights please refer to point 9,22,39</p>

No	Concerns Raised	AES Response
40	<p><i>Preferential Treatment of local companies with competitive rate prices for plants services & procurements (the client deliberately deals with certain contractors through senior project engineers for all procurement &/or services needed for the plant & they rule out all local affected communities' contractors & they don't even announce these tenders on public in transparent way).</i></p> <p><i>IFC PS#7-GN51 states that where benefit sharing is envisioned, benefits should be determined on mutually agreed terms as part of the process of securing FPIC. Benefits may include, for example, development benefits in the form of employment, vocational training, and benefits pursuant to community development and similar programs as well as from the making, marketing and licensing of some forms of traditional cultural expression.</i></p> <p><i>IFC PS#7-20 states that various factors including, but not limited to, the nature of the project, the project context and the vulnerability of the Affected Communities of Indigenous Peoples will determine how these communities should benefit from the project. Identified opportunities should aim</i></p> <p><i>to address the goals and preferences of the Indigenous Peoples including improving their standard of living and livelihoods in a culturally appropriate manner, and to foster the long-term sustainability of the natural resources on which they depend.</i></p> <p><i>IFC ESIA 6.8.9 states that The Consortium should give priority for a Local Contractor to provide construction personnel with suitable transport / other services on a competitive rates basis.</i></p>	<p>The local community was made aware of the opportunities for employment and for contracted services, and meetings were held with the local authorities to ensure they were also aware of what kinds of opportunities would be offered. Contracts are awarded on competitive basis</p> <p>All contracts of external work, supplies and services are provided through competitive process based on qualification, experience and price in a full transparent process. We normally provide priority to Jordanian companies when they have the qualification skills.</p>
41	<p><i>Support & Development to local affected people & the surrounding affected environment: (No real support is given to local affected communities a part of very few non-related to development donations for the purpose of pleasing some people & decision makers).</i></p> <p><i>IFC PS#7-GN51 states that Where benefit sharing is envisioned, benefits should be determined on mutually agreed terms as part of the process of securing FPIC. Benefits may include, for example, development benefits in the form of employment, vocational training, and benefits pursuant to community development.</i></p> <p><i>IFC PS#7-18 states that the client and the Affected Communities of Indigenous Peoples will identify mitigation measures in alignment with the mitigation hierarchy described in Performance Standard 1 as well as opportunities for culturally appropriate and sustainable development benefits. The client will ensure the timely and equitable delivery of agreed measures to the Affected Communities of Indigenous Peoples.</i></p>	<p>Please refer to Points No 39,40 , 7 for benefits and employment</p> <p>For FPIC process and indigenous people , it is already illustrated that it is not applicable or the project company (refer to points 6)</p>

No	Concerns Raised	AES Response
41	<p><i>IFC PS#7-20 states that various factors including, but not limited to, the nature of the project, the project context and the vulnerability of the Affected Communities of Indigenous Peoples will determine how these communities should benefit from the project. Identified opportunities should aim to address the goals and preferences of the Indigenous Peoples including improving their standard of living and livelihoods in a culturally appropriate manner, and to foster the long-term sustainability of the natural resources on which they depend.</i></p> <p><i>IFC ESIA 6.8.9 states that It is recommended that AES study the needs of the local community, and continue to provide support.(I think the client is still studying the needs of local affected communities & might complete the study after 25 years).</i></p>	<p>Please refer to Points No 39,40 , 7</p> <p>For FPIC process and indigenous people , it is already illustrated that it is not applicable or the project company (refer to points 6)</p>
42	<p><i>22. Indigenous people compensation:</i></p> <p><i>IFC PS#1-32 states that For projects with adverse impacts to Indigenous Peoples, the client is required to engage them in a process of ICP and in certain circumstances the client is required to obtain their Free, Prior, and Informed Consent (FPIC).</i></p> <p><i>IFC PS#5-1 states that Performance Standard 5 recognizes that project-related land acquisition and restrictions on land use can have adverse impacts on communities and persons that use this land. Involuntary resettlement refers both to physical displacement and to economic displacement as a result of project-related land acquisition and/or restrictions on land use.</i></p> <p><i>IFC PS#5-2 states that experience demonstrates that the direct involvement of the client in resettlement activities can result in more cost-effective, efficient, and timely implementation of those activities, as well as in the introduction of innovative approaches to improving the livelihoods of those affected by resettlement.</i></p> <p><i>IFC PS#5-GN3 states that The loss of access to common property resources and natural resources is an important consideration when evaluating a project's impacts on affected communities' and households' livelihoods. The types of assets to which access might be lost could include, but are not limited to, pasture, agriculture. Whilst these resources are, by definition, not owned by individual households, access to them is often a key component of affected households' livelihoods, without which they will likely face the risk of project-induced impoverishment</i></p>	<p>Please refer to points 1,2,6,7,9 ,39 ,</p> <p>NEPCO was already the landowner of the site prior to involvement of AES and Mitsui.</p> <p>AES Jordan is located on arid land, which was not used by the local community. The proper land acquisition process was conducted by the Government prior to the Sponsors' involvement and leased to the Project Company. The ESIA confirmed that the project does not involve the resettlement of indigenous peoples or the removal of land from ownership of individuals used for crops.</p> <p>loss of access to common property resources and natural resources is not applicable for the location of AES Jordan</p> <p>For FPIC process and indigenous people , it is already illustrated that it is not applicable or the project company (refer to points 6)</p>

No	Concerns Raised	AES Response
42	<p><i>IFC PS#5-GN9 states that all categories of affected households and communities should be consulted, whether individually or through representative sampling if the numbers are large, and particular attention should be paid to vulnerable groups. In addition, clients should ensure all households and communities are informed early in the planning process about their options and rights regarding displacement and compensation. Affected households and communities should also have the opportunity for informed participation in key phases of resettlement planning so that the mitigation of adverse project impacts is appropriate and the potential benefits of resettlement are sustainable.</i></p> <p><i>IFC PS#5-GN11 states that Compensation alone does not guarantee the restoration or improvement of the livelihoods and social welfare of displaced households and communities. Restoration and improvement of livelihoods often may include many interconnected assets such as as well as employment, and capital. Major challenges associated with rural resettlement include</i></p> <p><i>restoring livelihoods based on land or natural resource use and the need to avoid compromising the social or cultural continuity of Affected Communities, including the host communities</i></p> <p><i>IFC PS#5-10 states that the client will engage with Affected Communities, including host communities, through the process of stakeholder engagement described in Performance Standard 1. Decision-making processes related to resettlement and livelihood restoration should include options and alternatives, where applicable. Disclosure of relevant information and participation of Affected Communities and persons will continue during the planning, implementation, monitoring, and evaluation of compensation payments, livelihood restoration activities, and resettlement to achieve outcomes that are consistent with the objectives of this Performance Standard.</i></p> <p><i>IFC PS#5-25 states that In the case of projects involving economic displacement only, the client will develop a Livelihood Restoration Plan to compensate affected persons and/or communities and offer other assistance that meet the objectives of this Performance Standard. The Livelihood</i></p> <p><i>Restoration Plan will establish the entitlements of affected persons and/or communities and will ensure that these are provided in a transparent, consistent, and equitable manner. The mitigation of economic displacement will be considered complete when affected persons or communities have received compensation and other assistance according to the requirements of the Livelihood Restoration Plan and this Performance Standard, and are deemed to have been provided with adequate opportunity to reestablish their livelihoods.</i></p>	

No	Concerns Raised	AES Response
43	<p><i>IFC PS#7-2 states that Private sector projects can create opportunities for Indigenous Peoples to participate in, and benefit from project-related activities that may help them fulfill their aspiration for economic and social development</i></p> <p><i>IFC PS#7-2 states that the objective of PS#7 is to promote sustainable development benefits and opportunities for Indigenous Peoples in a culturally appropriate manner & to establish and maintain an ongoing relationship based on informed consultation and participation with the Indigenous Peoples affected by a project throughout the project's life-cycle & to ensure the Free, Prior, and Informed Consent (FPIC) of the Affected Communities of Indigenous Peoples when the circumstances described in this Performance Standard are present.</i></p>	<p>Please refer to points 7, 39,40</p> <p>The project created opportunity for Jordanian people. about 95% of the employees are Jordanian. The company was selected as the first private company in the Golden list based on its excellence in work environment and safety procedure by the Jordanian Ministry of Labour</p> <p>For FPIC process and indigenous people , it is already illustrated that it is not applicable or the project company (refer to points 6)</p>
44	<p><i>IFC PS#7-8 states that The client will identify, through an environmental and social risks and impacts assessment process, all communities of Indigenous Peoples within the project area of influence who may be affected by the project, as well as the nature and degree of the expected direct and indirect economic, social, cultural and environmental impacts on them.</i></p> <p><i>IFC PS#7-9 states that adverse impacts on Affected Communities of Indigenous Peoples should be avoided where possible. Where alternatives have been explored and adverse impacts are unavoidable, the client will minimize, restore, and/or compensate for these impacts in a culturally appropriate manner commensurate with the nature and scale of such impacts and the vulnerability of the Affected Communities of Indigenous Peoples. The client's proposed actions will be developed with the informed consultation and participation of the Affected Communities of Indigenous Peoples and contained in a time-bound plan, such as an Indigenous Peoples Plan, or a broader community development plan with separate components for Indigenous Peoples.</i></p> <p><i>IFC PS#7-18 states that The client and the Affected Communities of Indigenous Peoples will identify mitigation measures in alignment with the mitigation hierarchy described in Performance Standard 1 as well as opportunities for culturally appropriate and sustainable development benefits.</i></p> <p><i>The client will ensure the timely and equitable delivery of agreed measures to the Affected Communities of Indigenous Peoples.</i></p>	<p>Please refer to points 1,2,3,</p> <p>For FPIC process and indigenous people , it is already illustrated that it is not applicable or the project company (refer to points 6)</p>

No	Concerns Raised	AES Response
45	<p>23. General: <i>IFC PS#1-3 states that Business should respect human rights, which means to avoid infringing on the human rights of others and address adverse human rights impacts business may cause or contribute to. IFC PS#1 states that to ensure that grievances from Affected Communities and external communications from other stakeholders are responded to and managed appropriately.</i> <i>IFC PS#1 states that to promote and provide means for adequate engagement with Affected Communities throughout the project cycle on issues that could potentially affect them and to ensure that relevant environmental and social information is disclosed and disseminated.</i></p>	Please refer to point 9,22,39
46	<p><i>IFC PS#1-6 states that The client's policy provides a framework for the environmental and social assessment and management process, and specifies that the project will comply with the applicable laws and regulations of the jurisdictions in which it is being undertaken, including those laws implementing host country obligations under international law. The policy should be consistent with the principles of IFC Performance Standards.</i> <i>IFC PS#1 states that when host country regulations differ from the levels and measures presented in the EHS Guidelines, projects are expected to achieve whichever is more stringent.</i></p>	AES Jordan is complying with all the applicable laws , regulations and limits set by World Bank standards and Jordanian law whichever is more stringent ,AES Jordan has an environmental and social policy which forms part of its overarching environmental social management system.
47	<p><i>IFC PS#1-GN#46 states that Companies should be mindful that agreements they negotiate with host governments, concessions, and similar entities not be drafted in a way that could interfere with the human rights of parties potentially affected by the project and the state's bona fide efforts to meet its human rights obligations. States fulfill their human rights obligations in part by passing and enforcing laws. When negotiating stabilization clauses in these contracts, companies should not propose to impose economic or other penalties on the State in the event that the State introduces laws that are of general application and reflect international good practice in areas such as health, safety, labor, the environment, security, non-discrimination, and other areas that concern business and human rights.</i></p>	<p>AES Jordan is complying with all the applicable laws , regulations and limits set by World Bank standards and Jordanian law whichever is more stringent ,AES Jordan has an environmental and social policy which forms part of its overarching environmental social management system.</p> <p>Please refer to point 9,22,39</p>
48	<p>IFC PS#1-3 states that Contractors retained by, or acting on behalf of the client(s) (NEPCO, R.S.S, M.O.Env), are considered to be under direct control of the client and not considered third parties for the purposes of this Performance Standard 1.</p>	<p>NEPCO, R.S.S, M.O.Env are not Contractors retained by, or acting on behalf of AES Jordan. They are Official government entities acting on behalf of the Hashemite Kingdom of Jordan Government and implementing the local Jordanian Laws</p>