



Samoa: Solar Power Development

Project Name	Solar Power Development		
Project Number	49339-001		
Borrower/Company	Jarcon Pty Ltd. Sun Pacific Energy Limited		
Country	Samoa		
Location			
Approval Number	7515/3553		
Type of ADB Assistance / Amount	Canadian Climate Fund for the Private Sector in Asia I	USD 1.00 million	Approved
	3553 Ordinary capital resources	USD 2.00 million	Approved
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth		
Drivers of Change	Partnerships Private sector development		
Sector / Subsector	Energy - Renewable energy generation - solar		
Gender Equity and Mainstreaming	No gender elements		
Responsible ADB Department	Private Sector Operations Department		
Responsible ADB Division	Portfolio Management Division, PSOD		
Responsible ADB Officer	Ahmed, Salman		
Project Sponsor(s)	Jarcon Pty Ltd.		
Description	<p>The proposed financing of up to \$3 million will expand an existing 2.2MW solar farm that has been in operation since April 2015. The existing facility was completed in December 2015. The project sponsor has already invested about \$3.5 million for the construction of the existing solar farm that has generated approximately \$1.7 million in revenues since starting operations. An independent power producer, Sun Pacific Energy Limited, is the owner and operator of the plant. The plant currently sells 3.5 million kilowatt-hours (kWh) of solar power per year to EPC, the national utility company. With the proposed expansion, the energy yield is expected to increase up to 6 million kWh per year.</p>		
Objectives and Scope	<p>The proposed project will help the country lower its dependence on fossil fuel and increase affordability of solar power generation. Although endowed with abundant solar resources, Samoa is heavily dependent on imported fuel. In 2012, 95 million liters of diesel was imported for power generation to meet the demand of a 98% electrification rate. Of a total nationwide installed capacity of approximately 42MW, over 30MW are diesel fueled.</p> <p>Since 2010, the Government of Samoa has promoted private sector participation to increase renewable energy investment. The proposed financing will support the development of one of the IPPs currently operating in Samoa lowering the cost of production therefore increasing affordability of solar power generation.</p>		
Status of Operation/Construction	Finance agreements signed in August 2017, fully disbursed in September 2017. Construction is ongoing and project completion is expected in 2Q 2018.		
Linkage to Country/Regional Strategy	<p>The proposed project loan will finance the 1.8MW expansion of an existing 2.2MW solar power station on Samoa's main island Upolo. The expansion of South Pacific Energy Limited's (SPEL) existing solar farm is consistent with the Mid-Term Review of Strategy 2020 as well as ADB's Pacific Approach, which is used as Samoa's country partnership strategy. It also supports two of the five core operational areas of ADB, infrastructure and environment. As highlighted in the Country Operation Business Plan 2017 2019 for Samoa, ADB's past support was centered on the energy sector and has helped the country improve electricity services as well as strengthen the resilience of renewable energy power generation against disasters caused by natural hazards. The project is also aligned with Samoa's Energy Sector Plan 2012 2016.</p>		

Safeguard Categories

Environment

B

Involuntary Resettlement	C
Indigenous Peoples	C

Summary of Environmental and Social Aspects

Environmental Aspects	The project is classified as category B for environment based on the impacts of the project. An environmental and social audit was conducted to assess the performance of the existing facility. The anticipated construction impacts are noise elevation and dust generation but will be short-term and localized during a six-month construction period. There are minimal environmental impacts during operations. Phase 1 operations utilize water from local community for cleaning. This was identified as one of the key items of the audit report, hence, as a corrective plan, it was enforced that SPEL build rainwater tanks to avoid water competition, especially in the dry season. All solar panels are designed with anti-glare to reduce impact to incoming aircraft; consultation with SAA revealed that the solar panels do not cause any nuisance to the pilots. All waste in Upolu is deposited at the Tafa'igata landfill on the outskirts of Apia (approximately 27km from project site) in accordance with regulatory requirements and domestic wastewater will be treated via a sewage treatment plant. A Decommissioning and Recycling Plan will be prepared by SPEL in consultation with the Ministry of Environment Waste Management Division for the solar panels and components disposal, a few years before the PPA conclusion, and will export wastes where necessary and practical.
Involuntary Resettlement	The Electric Power Corporation, Samoa's national power utility, will sub-lease the land to SPEL for the term of the concession. An audit of the existing facility found it did not cause any physical or economic displacement during construction and there are no outstanding issues. The land was previously unused in a secure complex within the international airport boundary.
Indigenous Peoples	The population of Satapuala village, the nearest residential area, is 100% Samoan. Samoa's population is ethnically homogenous and no distinct or vulnerable group of indigenous people will be adversely or beneficially impacted by the project.
Stakeholder Communication, Participation, and Consultation	Project stakeholders, including nearby community members, were provided with information and directly consulted as part of the required impact assessment. During the consultation, project details and activities, the potential impacts and proposed mitigation measures were disclosed and feedback was registered.

Timetable for assistance design, processing and implementation

Concept Clearance	19 Oct 2015
Due Diligence	
Credit Committee Meeting	21 Aug 2017 to 21 Aug 2017
Approval	04 Aug 2017
Last PDS Update	21 Mar 2018

Project Page	https://www.adb.org/projects/49339-001/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=49339-001
Date Generated	09 November 2018

ADB provides the information contained in this project data sheet (PDS) solely as a resource for its users without any form of assurance. Whilst ADB tries to provide high quality content, the information are provided "as is" without warranty of any kind, either express or implied, including without limitation warranties of merchantability, fitness for a particular purpose, and non-infringement. ADB specifically does not make any warranties or representations as to the accuracy or completeness of any such information.