



Azerbaijan: Alat Solar Power Project

Project Name	Alat Solar Power Project			
Project Number	55340-001			
Borrower / Company	"Masdar Azerbaijan Energy" Limited Liability Company			
Country / Economy	Azerbaijan			
Location	Nation-wide			
Type or Modality of Assistance	4182	Loan	Ordinary capital resources	USD 35.70 million Approved
Strategic Agendas	Inclusive economic growth			
Drivers of Change	Partnerships Private sector development			
Sector / Subsector	Energy / Renewable energy generation - solar			
Gender Equity and Mainstreaming	Effective gender mainstreaming			
Responsible ADB Department	Private Sector Operations Department			
Responsible ADB Division	Infrastructure Finance Division 1			
Responsible ADB Officer	Malik, Danyaal			
Project Sponsor(s)	Abu Dhabi Future Energy Company PJSC - Masdar			
Description	The proposed loan will enable the borrower to construct a 230-megawatt solar photovoltaic based power plant in Azerbaijan.			
Objectives and Scope	ADB's support to the project will diversify the electricity generation mix of Azerbaijan by meaningfully increasing the share of renewables. In addition, the project will help foster reliable clean energy supply to improve energy sustainability, affordability, and security.			
Linkage to Country/Regional Strategy	The project is consistent with the ADB Energy Policy, which emphasizes promoting renewable energy, maximizes access to energy for all, and encourages private sector participation to increase energy sector efficiency. The project, with its competitive tariff, will improve the energy mix with affordable and sustainable renewable energy. The project also helps ADB strengthen its collaboration with the private sector and international development financial institutions. The loan will be categorized as climate financing and would help achieve ADB's annual climate finance target of \$100 billion for 2019-2030. The project is consistent with ADB's Operational Plan for Private Sector Operations, 2019-2024 by tackling climate change, building climate and disaster resilience, boosting environmental sustainability; and mobilizing financial resources for development.			
Safeguard Categories				
Environment				B
Involuntary Resettlement				B
Indigenous Peoples				C
Summary of Environmental and Social Aspects				
Environmental Aspects	The Initial Environmental and Social Examination (IESE) prepared for the project included an assessment of baseline environmental conditions, a review of the relevant legislation, stakeholder engagement including public participation and consultation, the identification of potential environmental impacts, and the development of an appropriate management framework for the mitigation of adverse effects associated with the proposed Project. Key construction-related environmental impacts and risks include those related to noise and vibration, dust, cultural heritage assets, health and safety, increased traffic, and waste generation. During operations, the key environmental impacts relate to waste generation and visual impacts. Majority of the potential impacts are considered to be site-specific, few if any of them are irreversible, and in most cases mitigation measures can be readily designed. To address the anticipated visual impacts of the project, consultations with relevant stakeholders will continue and the project will implement site rehabilitation and landscaping measures to provide localized screening of the site from nearby sensitive receptors.			
Involuntary Resettlement	The project is located on the land allocated by the Ministry of Energy for the development of the Solar photovoltaic plant. The land is being used by farmers and herders for animal grazing, mainly during winter. The project will not cause involuntary physical displacement but is expected to cause involuntary economic displacement of some farmer and herder households. A social compliance audit was conducted to ascertain the impact and a livelihood restoration plan will be implemented by Borrower to mitigate the impact on farmers and herders and to ensure the affected people have avenues to submit grievances.			
Indigenous Peoples	A social compliance audit undertaken for the project confirmed that the project will not affect indigenous peoples or vulnerable ethnic minorities.			
Stakeholder Communication, Participation, and Consultation	Meaningful consultations and information disclosure were undertaken when preparing livelihood restoration plan and other project environmental and social documentation. A project stakeholder engagement plan will be implemented to ensure continued engagement with the local community and other stakeholders.			
Timetable for assistance design, processing and implementation				
Concept Clearance	04 Mar 2022			
Credit Committee Meeting	13 Apr 2022			
Approval	30 May 2022			
Last PDS Update	01 Jun 2022			

Project Page	https://www.adb.org/projects/55340-001/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=55340-001
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