



### Project Summary Information

Date of Document Preparation: 09 February 2023	
<b>Project Name</b>	Distributed Solar Financing Transaction
<b>Project Number</b>	P000637
<b>AIIB member</b>	India
<b>Sector/Subsector</b>	Energy
<b>Alignment with AIIB's thematic priorities</b>	Green infrastructure
<b>Status of Financing</b>	Under Preparation
<b>Objective</b>	To support the development of distributed solar generation in India under rooftop solar and open access models.
<b>Project Description</b>	The Project involves long tenor financing to Fourth Partner Energy Private Limited (FPE), a leading independent power producer (IPP), for the development and operation of a portfolio of distributed solar projects. The portfolio comprises rooftop and ground-mounted solar projects with an aggregate capacity of 602MWp for commercial & industrial (C&I) clients. The proposed financing would streamline financing structure by providing debt through a single facility to a diversified pool of assets, thereby providing the benefits of scale, ease of administration, and pooling of cash flows.
<b>Expected Results</b>	The results of the Project will be measured through: (a) Renewable energy capacity installed (MW <sub>AC</sub> ) (b) Annual generation of renewable energy (GWh) (c) Greenhouse gas emission avoidance (Tons of CO <sub>2</sub> equivalent per year)
<b>Environmental and Social Category</b>	Category B

<p><b>Environmental and Social Information</b></p>	<p><b>Environmental and Social Policy, Standards, and Categorization.</b> The Project will be co-financed with International Finance Corporation (IFC) as lead co-financier, and its environmental and social (E&amp;S) risks and impacts have been assessed in accordance with the IFC's Policy on Environment and Social Sustainability (ESSP) and the Performance Standards (PSs). To ensure a harmonized approach to addressing ES risks and impacts of the Project, and as permitted under AIIB's Environmental and Social Policy (ESP), IFC's ESSP and PSs will apply to the Project in lieu of AIIB's ESP. AIIB has reviewed the IFC's ESSP and PSs and is satisfied that: (a) they are consistent with the provisions of AIIB's ESP, including AIIB's Environmental and Social Exclusion List (ESEL) and the relevant Environmental and Social Standards (ESSs); and (b) the monitoring procedures that are in place are appropriate for the project.</p> <p><b>Environment:</b> Based on information reviewed by IFC<sup>1</sup>, the proposed Project will have limited adverse E&amp;S impacts that are few, site specific, largely reversible, and readily addressed through existing mitigation measures and good international industry practices (GIIP). Most of these E&amp;S impacts occur only during the brief construction period. For example: air quality and noise impacts, community safety impacts from the temporary influx of project vehicles and non-resident workers, occupational health and safety (OHS) risks for workers, contractor management, resource efficiency, and waste management. During operations, the main E&amp;S risks and impacts are related to stakeholder engagement and biodiversity management. Therefore, IFC has categorized the investment as a Category B project according to IFC's ESSP. This is equivalent to Category B if AIIB's ESP were applicable.</p> <p><b>Biodiversity:</b> Critical Habitat (CH) screening suggests that there is a limited probability that four Open Access (OA) sites could partially meet IFC's PS6 Biodiversity CH applicability criteria. Therefore, FPE will adopt a precautionary approach and develop site specific Biodiversity Action Plans (BAP) to ensure net gain for CH species through collision and electrocution mitigations and community-based habitat conservation.</p> <p><b>Social:</b> All land for OA panel installation has been or is being acquired on Willing Buyer / Willing Seller basis with no option of recourse to judicial expropriation. Site visits and interviews with landowners and community members by IFC in the project areas confirmed that no third-party tenants or sharecroppers are adversely affected by these transactions.</p> <p><b>Stakeholder Engagement and Grievance Mechanism:</b> FPE's ESMS includes a Stakeholder Engagement Framework (SEF) to guide their stakeholder engagement activities in the form of Stakeholder Engagement Plans (SEP) applicable throughout the project cycle, from planning and preconstruction through decommissioning. The SEF advises FPE on how</p>
--	---

<sup>1</sup> <https://disclosures.ifc.org/project-detail/ESRS/46362/fp-energy-pf>

	to conduct stakeholder mapping and analysis and recommends appropriate engagement methods and monitoring and reporting processes, among others. For each OA site, SEPs will include a grievance mechanism and measures to encourage participation of project-affected people especially vulnerable or disadvantaged people.		
	<b>E&amp;S Information Disclosure:</b> FPE's FY21-22 Sustainability Report of FPE is available here: <a href="https://www.fourthpartner.co/impact-reports.html">https://www.fourthpartner.co/impact-reports.html</a> . IFC reviewed Environment and Social Impact Assessments (ESIA) for two operational OA sites. These ESIA's are disclosed in the Client Documentation section of IFC's Project Disclosure portal. Two remaining ESIA's for early-stage OA subprojects will be completed and disclosed.		
<b>Cost and Financing Plan</b>	The total project cost is approximately USD300 million, of which AIIB loan is about USD75 million and the rest is to be funded by the sponsors and other financial institutions.		
<b>Sponsor</b>	The Sponsor of the Project is Fourth Partner Energy Private Limited		
<b>Estimated date of last disbursement</b>	Q3 2023		
<b>Contact Points:</b>	<b>AIIB</b>	<b>IFC</b>	<b>Sponsor</b>
<b>Name</b>	Pratyush Mishra	Ankur Sood	Jignasa Jani Visaria
<b>Title</b>	Investment Operations Specialist	Investment Officer	Head- Renewable Capital (Risk Management & Project Finance)
<b>Email Address</b>	Pratyush.mishra@aiib.org	asood5@ifc.org	jignasa@fourthpartner.co
<b>Date of Concept Decision</b>	N/A		
<b>Estimated Date of Appraisal Decision</b>	March 1, 2023		
<b>Estimated Date of Financing Approval</b>	April 19, 2023		

<b>Independent Accountability Mechanism</b>	AIIB's Policy on the Project-affected Peoples Mechanism (PPM) applies to this Project. The PPM has been established by AIIB to provide an opportunity for an independent and impartial review of submissions from Project-affected people who believe they have been or are likely to be adversely affected by AIIB's failure to implement the ESP in situations when their concerns cannot be addressed satisfactorily through the GRM or the processes of AIIB's
---	--

	Management. Information on AIIB's PPM is available at: <a href="https://www.aiib.org/en/about-aiib/who-we-are/project-affected-peoples-mechanism/how-we-assist-you/index.html">https://www.aiib.org/en/about-aiib/who-we-are/project-affected-peoples-mechanism/how-we-assist-you/index.html</a>
--	--