

Public Information Summary

Host Country	India
Name of Borrower	Sitara Solar Energy Private Limited
Project Description	The Sitara Solar Project (the “Project”) will fund the development and construction of a 100 megawatt solar power project in Rajasthan, India.
Proposed DFC Loan	Up to \$50,000,000
All-Source Funding Total	\$67,000,000
Policy Review	
Developmental Objectives	This Project is expected to have a positive developmental impact on India through the construction and operation of a 100 MW PV solar power plant. The U.S. Energy Information Administration estimates that electricity demand in India as a whole will increase at an average annual growth rate of 4.6% through 2050. McKinsey estimates that at India’s current economic growth rate, the country requires an increase of 20 GW of installed electricity capacity per year to meet demand. The Government of India (GoI) in recent years made a strong commitment to renewable power generation, and set goal for the country to reach a capacity of 175 GW of renewable power capacity by 2022. With a strong state government focus on the importance of power generation in enabling economic growth, the State of Rajasthan has developed a substantial and diversified power generation capacity. However, the state’s power capacity composition is under one third renewable, and only 10% of the power capacity comes from solar. Moreover, despite improvements and economic progress in Rajasthan, the World Bank and the GoI consider it a low-income state (LIS) with a poverty rate of around 15% and a GDP per capita that is a third of the national average in India.
Environment Assessment	SCREENING: The Project has been reviewed against DFC’s 2020 Environmental and Social Policy Procedures (“ESPP”) and has been determined to be categorically eligible. Solar power generation facilities not located in or near sensitive areas and unlikely to have significant negative impacts associated with biodiversity are screened as Category B under DFC’s environmental and social guidelines.

	<p>APPLICABLE STANDARDS¹: Under DFC’s ESPP, the Borrower is required to comply with applicable national laws and regulations related to environmental and social performance. DFC’s environmental due diligence indicates that the investment will have impacts which must be managed in a manner consistent with the following International Finance Corporation’s (IFC) 2012 Performance Standards (P.S.):</p> <ul style="list-style-type: none"> • P.S. 1: Assessment and Management of Environmental and Social Risks and Impacts; • P.S. 2: Labor and Working Conditions; • P.S. 3: Resource Efficiency and Pollution Prevention; • P.S. 4: Community Health, Safety, and Security; and • P.S. 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources. <p>Environmental and Social Risks and Mitigation:</p> <p>A Project-specific Environmental and Social Management System (ESMS) is in progress. It will be updated before financial close to include a revised Environmental and Social Management Plan (ESMP) for construction and operations, a robust description of the organizational capacity to assure appropriate implementation and monitoring of the environmental requirements during construction and operations, and an emergency response plan.</p> <p>Most of the land is being used for agriculture (irrigated and non-irrigated) purposes. The site has scattered and sparse vegetation in the form of shrubs and bushes. Construction activities will be restricted within the boundary of the solar plant and will not alter the lands use of the adjacent areas. All biodiversity risks will be able to be managed through appropriate mitigation measures included in the ESMP. The Project-specific plans for solid waste, water management, occupational health and safety plan, transportation management plan will be required prior to construction to assure minimal impacts to the communities during construction and throughout operations.</p>
<p>Social Assessment</p>	<p>The Project will have impacts that must be managed in a manner consistent with the International Finance Corporation’s Performance Standards, DFC’s Environmental and Social Policy and Procedures and applicable local laws. DFC’s statutorily required language will be supplemented with provisions concerning the rights of association, organization and collective bargaining, minimum age of employment, prohibition against the use of forced labor, non-discrimination, hours of work, the timely payment of wages, and hazardous working conditions.</p>

¹ Issues related to PS 5, 7, and 8 are addressed in DFC’s Social Impact Clearance

	<p>Standard and supplemental contract language will be applied to all workers of the Project, including contracted workers.</p> <p>This Project involves the construction and operation of a solar power plant in India. The Project Sponsor has in place several corporate-level policies and procedures to ensure adequate social and labor management. The Project will be required to develop and implement site-specific plans and processes for land access, stakeholder engagement, grievance redressal, and oversight of labor conditions to ensure alignment with the applicable standards.</p> <p>This review covers the commensurate human rights risks associated with solar projects in India.</p>
Grants Assessment	Not applicable.