

## Public Information Summary

<b>Host Country(ies)</b>	Republic of Malawi
<b>Name(s) of Borrower(s)/Guaranteed Party(ies)</b>	Golomoti JCM Solar Corporation Limited, Republic of Malawi
<b>Project Description</b>	A 20MWac solar photovoltaic (“PV”) plant with a 5MW / 10MWh lithium-ion battery energy storage system (“BESS”) facility (the “Project”) located at the Golomoti settlement, Dedza district, in central Malawi.
<b>Proposed DFC Loan/Guaranty</b>	Up to \$25.0 million for a term of 18 years
<b>All-Source Funding Total</b>	Up to \$ 36.0 million (including DFC debt, sponsor equity and grants received)
<b>Policy Review</b>	
<b>Developmental Objectives</b>	This Project is expected to have a developmental impact on Malawi’s electricity sector through the production and sale of solar energy to the national grid. According to USAID/Power Africa, Malawi’s installed electricity capacity is 532 MW, which is estimated to serve only 12-15% of the population. Hydropower currently generates approximately 70% of the country’s electricity, yet it is often constrained by drought and insufficient transmission and distribution facilities, leading the government to rely on expensive diesel generators as a backup. The Government of Malawi is actively pursuing energy diversification and included solar energy development as a strategic priority as part of its National Development Agenda. The Borrower was one of several selected by Malawi’s national electricity utility under its first competitive power procurement tender. This Project has begun commercial power generation operations and is considered to be one of the first utility-scale plant in the region to include a battery energy storage system.
<b>Environment and Social Assessment</b>	<b>SCREENING:</b> The Project has been reviewed against DFC’s 2020 Environmental and Social Policy Procedures (“ESPP”) and has been determined to be categorically eligible. Photovoltaic 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. Potential adverse environmental or social risks and/or impacts are limited, few in numbers, site-specific, largely reversible, and readily addressed through mitigation measures.

**APPLICABLE STANDARDS:** Under DFC's ESPP, the Project 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 that must be managed in a manner consistent with the following International Finance Corporation's (IFC) 2012 Performance Standards (P.S.):

- 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;
- P.S. 5: Land Acquisition and Involuntary Resettlement; and
- P.S. 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources.

In addition to the Performance Standards listed above, the IFC's April 30, 2007, Environmental, Health, and Safety General Guidelines are applicable to the Project.

**ENVIRONMENTAL AND SOCIAL RISKS AND MITIGATION:**

During construction, key environmental risks and impacts include air emissions and noise that could temporarily disturb surrounding residents, occupational health and safety (OHS) of construction workers, community safety, and vegetation removal. During operations, risks and impacts include water extraction, erosion and dust generation resulting from vegetation removal, and waste management.

The Project's vulnerability to climate change is due to its water use requirement during operations. According to the World Bank Group's Climate Change, Knowledge Portal Malawi has seen an increase in erratic rainfall, droughts, prolonged dry spells, and strong winds. The Project will be required to consider climate change in its water availability assessment and planning.

A Livelihood Restoration Plan was required to mitigate economic displacement for 144 persons, mainly for loss of natural assets such as trees, and loss of the use of the land for subsistence farming. Implementation of the LRP was delayed but is expected to begin prior to DFC funding to the Project.

Based on this assessment, is expected that the Project will have limited potential adverse environmental or social risks and/or impacts. These impacts will be few in numbers, site-specific, largely reversible, and readily addressed through mitigation measures.