Early Warning System

AIIB-000518

Solar IPP Equity Investment

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Quick Facts

Countries	India
Financial Institutions	Asian Infrastructure Investment Bank (AIIB)
Status	Approved
Bank Risk Rating	B
Voting Date	2022-05-25
Sectors	Energy
Investment Type(s)	Equity
Investment Amount (USD)	$ 50.00 million
Loan Amount (USD)	$ 50.00 million

Project Description

According to AIIB, the project objective is to provide growth capital to scale up the development of renewable energy projects. AIIB is considering investing in a renewable energy independent power producer and support this renewable energy independent power producer to scale up its operational capacity.

ENVIRONMENTAL AND SOCIAL INFORMATION

AIIB's Environmental and Social Policy (ESP), Environmental and Social Exclusion List (ESEL), and Environmental and Social Standards (ESSs) apply to this Project. The Project has been categorized as Category B and an Environmental and Social Management System (ESMS) will be used for the Project. The potential risks and impacts of the Project are typical of solar energy projects and can be managed using standard practices

The main risks and impacts resulting from solar energy development and operation are the following: (i) change in land use; (ii) potential loss of habitat; and (iii) generation of hazardous waste due to the manufacture and eventual disposal of solar panels and the use of battery systems. Positive impacts include avoidance of greenhouse gas generation and socio-economic benefits to the surrounding communities from employment.

The renewable independent power producer will identify and select land based on its requirements for solar projects. Willing buyer - willing seller arrangements, will be pursued in all transactions. The willing buyer-willing seller voluntary transaction shall take place with the seller's informed consent and the seller provided compensation based on prevailing market values. The renewable independent power producer shall conduct meaningful, pre-informed consultations with affected people in the issues of land acquisition, or loss of livelihood, if any. The nature of solar projects is such that the shape of the required land may be adapted to the available land for purchase. This offers flexibility in acquiring only land parcels which are on a willing buyer-willing seller basis. To the extent possible, land with encumbrances and land owned by Scheduled Tribes will be avoided. A land aggregator is engaged to assist the landowners in obtaining the required documents.

The renewable independent power producer has established a functioning GRM which is transparent, gender responsive, culturally appropriate, and readily accessible to affected persons, including Indigenous Peoples communities at no cost and without retribution. Formal consultations with communities will begin during selection of the sites where the solar projects will be constructed. The renewable independent power producer will also provide that a Stakeholder Engagement Plan (SEP) for the operation and maintenance phases is prepared in a timely manner and updated on a regular basis.

The renewable independent power producer will disclose any required ES documents in English and local languages at the State level and make them available in the public domain through its website link and in hard copies in project areas.

Investment Description

- Asian Infrastructure Investment Bank (AIIB)

Contact Information

PROJECT TEAM LEADER

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ACCESS TO INFORMATION

You can submit an information request for project information at: https://www.aiib.org/en/contact/information-request/index.html

ACCOUNTABILITY MECHANISM OF AIIB

The AIIB has established the Accountability Mechanism for Project-Affected People (PPM). The PPM provides Òan 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 AIIBÕs failure to implement the ESP in situations when their concerns cannot be addressed satisfactorily through Project level GRMs or AIIB Management processes.Ó Two or more project-affected people can file a complaint. Under the current AIIB policy, when the bank co-finances a project with another development bank, it may apply the other bank's standards. You can refer to the Project Summary Information document to find out which standards apply. You can learn more about the PPM and how to file a complaint at: https://www.aiib.org/en/about-aiib/who-we-are/project-affected-peoples-mechanism/how-we-assist-you/index.html

The complaint submission form can be accessed in Arabic, Bahasa Indonesia, Bengali, Chinese, English, Tagalog, Hindi, Nepali, Russian, Turkish, or Urdu. The submission form can be found at: https://www.aiib.org/en/about-aiib/who-we-are/project-affected-peoples-mechanism/submission/index.html

Bank Documents

- Project Summary (May 12, 2022) [Original Source]