Early Warning System

AIIB-000637

India: Distributed Solar Financing Transaction

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Quick Facts

Countries	India
Financial Institutions	Asian Infrastructure Investment Bank (AIIB)
Status	Canceled
Bank Risk Rating	B
Borrower	Fourth Partner Energy Private Limited
Sectors	Climate and Environment, Energy
Investment Amount (USD)	$ 75.00 million
Loan Amount (USD)	$ 75.00 million

Project Description

According to AIIB, the objective of the project is to support the development of distributed solar generation in India under rooftop solar and open access models. 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.

As stated in the AIIB's Independent Review of the Delegated Project Approval Process at the Asian Infrastructure Investment Bank (Box 1, p. 20), the project was [...] dropped by the partner MDB and removed from AIIB's investment pipeline.

ENVIRONMENT AND SOCIAL INFORMATION

The Project will be co-financed with International Finance Corporation (IFC) as lead co-financier, and its environmental and social (E&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.

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.

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.

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.

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 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.

IFC reviewed Environment and Social Impact Assessments (ESIA) for two operational OA sites. These ESIAs are disclosed in the Client Documentation section of IFC's Project Disclosure portal. Two remaining ESIAs for early-stage OA subprojects will be completed and disclosed.

Investment Description

- Asian Infrastructure Investment Bank (AIIB)

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Fourth Partner Energy Private Limited	Client	-

Contact Information

AIIB

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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 (February 9, 2023) [Original Source]