

 Early Warning System

AIIB-000768

India: ENGIE Solar Power Project



Quick Facts

Countries	India
Specific Location	Gujarat
Financial Institutions	Asian Development Bank (ADB), Asian Infrastructure Investment Bank (AIIB)
Status	Approved
Bank Risk Rating	B
Voting Date	2024-05-13
Borrower	Enren Energy Private Limited
Sectors	Energy
Investment Type(s)	Loan
Investment Amount (USD)	\$ 88.50 million
Loan Amount (USD)	\$ 88.50 million
Project Cost (USD)	\$ 221.00 million



Project Description

According to AIIB, the objective of the project is to promote electricity generation from solar energy resources through private capital mobilization in Gujarat. The Project involves the development, construction and maintenance of a 400MWAC solar power project in Gujarat, India. (Project). Offtake of the Project is underpinned by a 25-year Power Purchase Agreement (PPA) for 100% of the capacity that is signed with Gujarat Urja Vikas Nigam Limited (GUVNL) at a tariff of INR2.49 per kWh.

ENVIRONMENTAL AND SOCIAL INFORMATION

AIIB's Environmental and Social Policy (ESP), including the Environmental and Social Standards (ESSs) and Environmental and Social Exclusion List ESS1 (Environmental and Social Assessment and Management) is applicable to the Project. The proposed Project is being considered alongside ADB and will likewise be prepared in accordance with ADB's Safeguard Policy Statement (SPS). Based on preliminary information and due to the limited number of potentially adverse environmental and social impacts, none of which are unprecedented or irreversible, the Project has been tentatively assigned Category "B" subject to further availability of transmission line alignment and ESIA in accordance with the AIIB ESP and consistent with ADB SPS. E&S Categorization will be finalized following the due diligence by the Bank and coordination with ADB counterparts, prior to the final review.

Environmental Aspect

A draft critical habitat screening report has been shared. A list of 31 species have been screened as a critical habitat candidate species out of which 2 species are believed to be likely critical habitat trigger. Detailed critical habitat assessment (CHA) is awaited. If CHA is triggered, a tailored biodiversity management plan will be developed and the E&S categorization for the Project will also need to be re-considered. An Environmental and Social Due Diligence (ESDD) is underway following an Environment and Social Impact Assessment (ESIA) study in accordance with AIIB's ESP. It is important to assess the adverse impacts during construction of this project which will include change of land use, soil erosion and contamination, solid wastes, water use for construction and workers, air pollution, noise, occupational health and safety (OHS) and community health and safety issues. The Environmental and Social Management Plan (ESMP) to be included should suggest mitigation measures to address the potential negative impacts, labor and OHS issues. It also elaborates the ES management system of Borrower, the role and responsibilities of concerned department in Borrower, reporting and documentation requirements, and training programs and capacity building for this Project.

Climate Change Risks and Opportunities

The Project is expected to contribute to Gol's renewable energy target to achieve net zero carbon emissions by 2070 and to meet 50% of its electricity needs from renewable sources by 2030. The Bank team will work with ADB counterparts to ensure the analysis of climate change mitigation and adaptation in relation to the Project will be carried out and the greenhouse gas emission reduction throughout the life cycle of the Project will be quantified. Climate change risks such as flooding and onshore category 1 storms likelihood should be discussed in the ESDD and ESIA report as well as the design planning to minimize the risk should be included.

Social Aspects

The Project footprint is 2000 acres (+/-10% based in site constrains) along with the transmission line roughly [500] m in length. Detailed breakdown of land requirement for Project components is not available at this stage. Land acquisition process should follow the requirements of AIIB's ESS2 on Involuntary Resettlement. Land details, title holders and transmission line routes are not available as of now. Due diligence and ESIA should confirm present status of land procurement as well as corresponding social impacts arising from project activities.



Investment Description

- Asian Development Bank (ADB)
- Asian Infrastructure Investment Bank (AIIB)

The total Project cost will be financed in a debt-to-equity ratio of 73:27. AIIB is considering a loan up to USD 95 million with balance debt being considered by ADB.



Contact Information

PROJECT TEAM LEADERS

Asian Infrastructure Investment Bank

Amit Kumar

Senior Investment Operations Specialist

amit.kumar@aiib.org

Asian Development Bank

Aarti Mehra

Principal Investment Specialist

amehra@adb.org

SPONSOR

Solairedirect Energy India Private Limited (SEIPL)

Mukesh Kumar

Head of Acquisitions, Investment and Financial Advisory (AIFA), India

mukesh.kumar@engie.com

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 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 Project level GRMs or AIIB Management processes. 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 \(July 4, 2023\)](#) [\[Original Source\]](#)



Other Related Projects

- ADB-57072-001 Engie Solar Power Project