Early Warning System

FMO-52255

PACIFIC SOLAR ENERGY S.A. DE C.V.

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Quick Facts

Countries	Honduras
Financial Institutions	Netherlands Development Finance Company (FMO)
Status	Active
Bank Risk Rating	B
Voting Date	2017-12-14
Sectors	Energy
Investment Type(s)	Loan
Investment Amount (USD)	$ 29.22 million
Loan Amount (USD)	$ 29.22 million
Project Cost (USD)	$ 123.00 million

Project Description

According to the Dutch Development Bank (FMO), this project will directly contribute to more sustainable electricity generation in Honduras, where long term demand still exceeds supply. This will reduce among others Honduras' dependence upon imported fossil fuels.

It consists of a PV Solar project with two phases. Late 2016 the construction of Phase I with 25MWac was largely completed and this phase became fully operational in the 4th quarter of 2017. Phase I was funded by the Sponsor and as of late 2016 with senior debt from DEG - Deutsche Investitions- und Entwicklungsgesellschaft mBH, a development finance institution based in Germany. The construction of Phase II, with an additional 25MWac, will start soon and is expected to become operational by mid-2018.

Early Warning System Project Analysis

The Dutch Development Bank gives the following explanation for its B+ rating in the environmental and social category: "The E&S category is B+, reflecting working and labour conditions and health and safety risks to employees and communities, mainly during construction; optimization of water use for cleaning the solar panels, given the arid environment; design and construction of an effective drainage system; land clearing and reforestation. IFC PS6 may be applicable as a few fruit-eating bat individuals (Artibeus inopinatus) were viewed on site. This bat species is considered by some experts to have a restricted range (El Salvador, Honduras and Nicaragua) and further investigation will be carried out regarding its habitat and potential project impacts on this species. FMO's E&S DD indicates that the Project will have impacts consistent with the following IFC PSs: PS 1 - Assessment and Management of Environmental and Social Risks and Impacts PS 2 - Labour and working conditions PS 3 - Resource Efficiency and Pollution Prevention PS 4 - Community Health, Safety and Security PS 6 - Biodiversity Conservation and Sustainable Management The following PS are, as seen by FMO, not applicable to this project: PS5 – Land Acquisition and Involuntary Resettlement: the project will not lead to physical or economic displacement. All transactions have been done on "willing buyer – willing seller" basis. PS7 – Indigenous Peoples: the project will not impact communities of indigenous people nor their lands and resources. PS8 – Cultural Heritage: according to archaeological investigations, the project is not expected to have impacts on cultural heritage. A chance finds procedure will be developed and the contractors will be trained to use it if necessary."

Investment Description

- Netherlands Development Finance Company (FMO)

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Pacific Solar Energy, S.A. de CV	Client	-
-	-	-	-	UPower, Inc.	Parent Company	-

Contact Information

ACCOUNTABILITY MECHANISM OF FMO

Communities who believe they will be negatively affected by a project funded by the Dutch Development Bank (FMO) may be able to file a complaint with the Independent Complaints Mechanism, which is the joint independent accountability mechanism of the Dutch Development Bank (FMO) and the German Investment Corporation (KfW) . A complaint can be filed in writing, by email, post, or online. The complaint can be filed in English or any other language of the complainant. The Independent Complaints Mechanism is comprised of a three-member Independent Expert Panel and it can provide either problem-solving, compliance review or both, in either order. Additional information about this accountability mechanism, including a guide and template for filing a complaint, can be found at: https://www.fmo.nl/independent-complaints-mechanism