Early Warning System

FMO-52334

BAYNOUNA SOLAR ENERGY COMPANY PSC

Quick Facts

Countries	Jordan
Financial Institutions	Netherlands Development Finance Company (FMO)
Status	Proposed
Bank Risk Rating	B
Borrower	Baynouna Solar Energy Company
Sectors	Energy
Investment Type(s)	Loan
Investment Amount (USD)	$ 35.00 million
Loan Amount (USD)	$ 55.70 million

Project Description

WHO IS OUR PROSPECTIVE CLIENT?

Baynouna Solar Energy Company PSC ("Project") will be our client, a company registered under the laws of Jordan. The proposed Project is currently 100% owned by Masdar, a global renewable energy company established in 2006 by the government of Abu Dhabi, through its investment holding company Mubadala.

WHAT IS THE FUNDING OBJECTIVE?

Our funding will be used to develop, construct and operate a 200MWac PV solar project in Jordan. The proposed Project will be the largest PV solar project in the country to date providing significant economies of scale. Power offtake will be under a 20-year PPA by the National Electricity Power Company.

WHY DO WE WANT TO FUND THIS PROJECT?

The proposed Project fits FMO's mandate and strategy as it is 100% green and is led by Sponsor Masdar with a strong renewable energy track record and has high developmental value, as it provides cheap, clean electricity in a country that suffered in the past from structural power deficits. The proposed Project contributes to the following SDG's: 7 Affordable and Clean Energy, 8 Decent Work and Economic Growth, 9 Industry, Innovation and Infrastructure, 11 Sustainable Cities and Communities and 13 Climate Action.

ENVIRONMENTAL AND SOCIAL RATIONALE

The proposed Project has been categorized as B+. The proposed investment will have impacts which must be managed in a manner consistent with the following Performance Standards: PS1 - Assessment and Management of Environmental and Social Risks and Impacts PS2 - Labor and Working Conditions PS3 - Resource Efficiency and Pollution Prevention If FMO's investment proceeds, FMO periodically reviews the project's ongoing compliance with the Performance Standards. Issues related to PS4 - Community Health, Safety and Security; PS5 - Land Acquisition and Involuntary Resettlement; PS6 - Biodiversity Conservation and Sustainable Management of Living Natural Resources; PS7 - Indigenous Peoples; PS8 - Cultural Heritage, are not expected with this proposed investment for the following reasons: * PS4: (i) there are no communities on or nearby the project site; (ii) based on low assessed security risk (the area is vacant and located near Amman, in the general vicinity of a large security training facility), security management will be low-profile. * PS5: land is being leased from the Government and no land issue was raised when concerned stakeholders were contacted. * PS6: the area is covered in very sparse vegetation of the Desert ecosystem, and surveys have not identified any features or species that would trigger PS6. * PS7: no Indigenous Peoples have been identified in the project area. * PS8: not applicable based on the results of the Archaeological Survey Report carried out by the Jordanian Department of Antiques as part of the project ESIA.

Investment Description

- Netherlands Development Finance Company (FMO)

Contact Information

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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.

Bank Documents

- Project Information