

 Early Warning System

MIGA-15281

SBI Rooftop Solar Refinancing



Quick Facts

Countries	India
Financial Institutions	Multilateral Investment Guarantee Agency (MIGA)
Status	Proposed
Bank Risk Rating	U
Borrower	State Bank of India
Sectors	Energy
Investment Type(s)	Guarantee
Investment Amount (USD)	\$ 340.10 million



Project Description

The proposed project covers an investment by Citibank, N.A., Standard Chartered Bank and Credit Agricole Corporate and Investment Bank, and/or any of their group holding companies, subsidiaries, or affiliates (the "Guarantee Holders") to provide a non-shareholder loan to the State Bank of India ("SBI"), an Indian state-owned enterprise bank, to refinance US\$200 million of the existing US\$500 million World Bank ("IBRD") loan to SBI for already operational Grid-connected Rooftop Solar Photovoltaic ("GRPV") systems. The IBRD's Grid Connected Solar Rooftop Program (P155007) was approved in 2016 (the "IBRD Loan") and extended to the SBI. The objective of the IBRD loan was to provide funding for on-lending by SBI as part of a national program to deliver GRPV systems to commercial and industrial customers across India.

The proposed project responds to the original report of the G20 Eminent Persons Group on Global Financial Governance issued in 2018 and the G20 Capital Adequacy Framework review, which calls multilateral development banks and MIGA to collaborate on transferring portfolio risk from MDB balance sheets with MIGA's insurance products, and the more prominent role in which MIGA could play in supporting financial capacity within the World Bank Group. The same is further articulated in the WBG's Statement in the Evolution Roadmap. The Project would present as the first example which embodies such concept where MIGA and IBRD are working in concert to free up lending capacity for IBRD, since IBRD is soon to reach its lending limits for India, thereby enabling IBRD to undertake new initiatives in the country.

The MIGA guarantee is requested for up to US\$340.1 million of loan principal, future interest and potentially MIGA premium, for a term of up to 15 years against the risk of Non-Honoring of Financial Obligations by a State-Owned Enterprise (NHFO-SOE).

The MIGA guarantee will help to mobilize private sector capital for SBI. The proposed climate finance project will enable the recycling of the sovereign guarantee for other IBRD projects in India, and lead to potential savings for SBI. As a first-time transaction replacing an IBRD loan with international private capital mobilized with MIGA's guarantee, a positive demonstration effect for international commercial banks to participate in similar transactions in India (or other countries) is expected. The proposed project is consistent with India's Country Partnership Framework FY18-22, extended by the 2023 Performance and Learning Review to end-December 2024, in which MIGA's credit enhancement guarantees for mobilizing private capital and meeting the borrowing requirements of state-owned enterprises for infrastructure projects are explicitly mentioned.

ENVIRONMENTAL CATEGORIZATION

The MIGA guarantee will support the refinancing of operating rooftop solar projects in India. During the operations phase, rooftop solar projects are considered to have low to moderate E&S risk impacts related to occupational health and safety, waste management, and community safety. These risks and impacts can be addressed through mitigation measures, and as such, the MIGA project has been categorized as FI-2 in accordance with MIGA's Policy on Environmental and Social Sustainability (2013).

Under the IBRD program for the initial financing, E&S requirements related to the management of risks and impacts such as occupational safety, fire safety, water consumption, regulatory compliance, and grievance management were specified for SBI by the IBRD. The implementation of these requirements has been monitored over the years by the IBRD. In line with MIGA's Policy, for this transaction, MIGA will rely on the E&S requirements specified by the IBRD; no additional requirements will be specified and MIGA will continue to monitor the project in line with the existing requirements.



Investment Description

- Multilateral Investment Guarantee Agency (MIGA)



Contact Information

No contact information was provided at the time of disclosure.

ACCESS TO INFORMATION

You can submit a request for information disclosure at: https://www.miga.org/contact/access_to_information

You can also request general information about MIGA and for information on guarantees by emailing:
migainquiry@worldbank.org

ACCOUNTABILITY MECHANISM OF IFC/MIGA

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org. You can learn more about the CAO and how to file a complaint at <http://www.cao-ombudsman.org>