



Project Summary Information

Date of Document: March 17, 2020

Project Name	Ibri II 500MW Solar PV Independent Power Plant Project
Document Code	PD000297-PSI-OMN
AIIB member	The Sultanate of Oman
Sector / Subsector	Energy / Renewable Energy Generation – Solar
Status of Financing	Approved
Project Description	<p>The Ibri II Solar PV Independent Power Plant Project (the Project) is a 500 mega-watt greenfield solar photovoltaics power plant in Ibri, Oman which is being developed by Shams Ad-Dhahira Generating Company SAOC (the Borrower), a special purpose vehicle incorporated under the laws of Oman.</p> <p>Oman Power and Water Procurement Co (OPWP) awarded the Project to the consortium led by International Company for Water and Power Projects (ACWA Power) following a detailed financial, technical and legal evaluation of bid proposals received through international competitive tender. The Project is implemented under Build, Own and Operate model under a bilateral arrangement of offtake by OPWP for 15 years from the Scheduled Commercial Operation Date on June 1, 2021. The Power Purchase Agreement was signed between OPWP and the Borrower on April 30, 2019.</p>
Objective	<p>The objectives of the Project are to:</p> <ul style="list-style-type: none"> (a) increase the availability of the renewable power generation capacity and contribute to fill the anticipated gap in the peak demand; and (b) reduce the dependence on gas and other fossil fuels for electricity generation and move to a more balanced and environmentally sustainable energy mix.
Expected Results	<p>The results of the Project will be measured through:</p> <ul style="list-style-type: none"> (a) increase in renewable power generation capacity in the country (b) the delivery of electrical energy generated by the project (c) greenhouse gas emissions avoided by the Project
Environmental and Social Category	Category B

<p>Environmental and Social Information</p>	<p>AIIB's Environmental and Social Policy (ESP) is applicable to this Project. The Company commissioned the preparation of an Environmental and Social Impact Assessment (ESIA), an Environmental and Social Management Plan (ESMP) and a Stakeholder Engagement Plan (SEP) as per Environmental and Social Standard (ESS) 1 – Environmental and Social Assessment and Management, and a Resettlement Action Plan (RAP) in accordance with ESS 2 – Involuntary Resettlement. The Project is placed in Category B due to the limited number of potentially adverse environmental and social impacts, none of which are unprecedented or irreversible, and all of which can be successfully managed using good practice in an operational setting, as confirmed by the Project Team's field visit and review of the environmental and social (E&S) documentation prepared for the Project.</p> <p>The proposed greenfield Project site is sparsely vegetated pastureland owned by the Ministry of Housing and currently undeveloped other than a camel farm, including housing for two camel herders, several seasonal camel pens and a camel racetrack. Engagement with the Borrower has resulted in redesigning the Project layout to avoid impact on wadis located to the north and south of the current Project site, and to maintain an area at its center free from photovoltaic panels and tarpaulin where some acacia trees will remain and precipitation can infiltrate. The remainder of the low ecological value habitat will be affected by vegetation clearing, site leveling and coverage with panels and a reflective tarpaulin. During construction, the principal environmental impacts will be induced by combustion emissions, noise, earthworks' dust and generation of principally domestic and some industrial solid waste. Wastewater effluents and solid waste will be transported offsite for treatment and disposal. During operation and maintenance (O&M) phase, the principal environmental impacts include the creation of a 'lake effect' induced by the reflective surface of solar PV panels and the disposal of industrial waste, including end-of-life panels and limited amounts of hazardous waste from transformers. There is no surface water on or near the site, and no groundwater will be used for construction, domestic consumption or panels cleaning. The associated facilities, a short access road, a 2-kilometer-long electrical connection to the grid and the OETC substation, have been assessed to present insignificant environmental impacts. Several graves have been identified outside the site boundaries and are clearly marked so as to be preserved. No other cultural heritage feature has been identified on the Project-affected area, but a Chance-Find-Procedure will be followed during construction activities. In general, the environmental impacts of the Project are assessed to have minor to moderate significance prior to implementation of the management and mitigation measures defined in the ESIA and detailed in the ESMP, and the residual impacts are assessed to be largely minor to negligible.</p> <p>The Project's generation of renewable energy for approximately thirty-three thousand households will avoid the emission of approximately eight hundred thousand tons of CO₂-equivalent per year, contributing to achieving Oman's Nationally Determined Contribution.</p> <p>The ESIA and RAP have identified an active camel farm housing two camel herders and several camels, an active camel racing track and an inactive one, and several abandoned as well as a couple of seasonally used camel pens. Provisions</p>
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have been made in the RAP and agreed with the EPC contractor to provide suitable substitute housing and reconstruct the camel farm and racing track outside the Project site boundaries, approximately 3km from their current location, prior to the use of the land where they are currently located. The relocation land will continue to be owned by the MOH, and its use by the Sheik for camel herding and racing activities will remain customary; this has been agreed by the local Ibri authorities. Resettlement support will be provided to the two herders to transfer their belongings and other equipment to their new housing and farm. Accessibility to water for domestic use and for the herding activities will be ensured through a connection with the nearby well. The area around the Project site comprises vast expanses of land where grazing will be continued, so the loss of access to the Project site is not expected to have any negative impact on such activities.

Contractors' employees will be housed in the existing construction camp established for the construction of the Ibri CCGT power plant and will have minimal interactions with the nearest community, located more than 3km away. A Code of Conduct will be adopted for the largely foreign workforce. Additional community safety measures will be put in place for the transportation of equipment and personnel. Provisions for equal employment opportunities and occupational health and safety (OHS) management are included in the Project's E&S documentation, EPC contract and O&M agreement, and will be reflected in the Contractors' and Company's Human Resource (HR) and Environment, Health, Safety and Security (EHSS) policies and management systems. Measures to support employment of women such as provision of transport to and from site and segregated praying and ablution facilities will be provided. The Company is considering engaging with a local college and university to support further education in electrical engineering, providing internship and potentially employment opportunities during the Project's operation phase.

The Company has conducted meaningful consultation in the course of the ESIA preparation, including interviews with relevant stakeholders and Project-Affected People, and disclosed E&S documentation at the local administration's office and on the [Company's website](#), including an Arabic translation of the ESIA Non- Technical Summary. The E&S documentation is also available on the Bank's website at <https://www.aiib.org/en/projects/details/2020/approved/Oman-Ibri-II-500MW-Solar-PV-Independent-Power-Plant-Project.html>.

A Stakeholder Engagement Plan (SEP) has been prepared to define on-going stakeholder engagement and information disclosure activities and responsibilities throughout the course of the Project. The SEP comprises a project-level GRM both for adjacent communities and also for Project workers.

The Company has included a requirement to prepare the detailed Construction ESMP in the EPC contract and establish an Environmental and Social Management System (ESMS) in accordance with the applicable E&S requirements in the O&M agreement, and committed to contracting an audit of the completion of the relocation of Project-affected people and assets induced by the Project against the RAP. The Project's ESMP comprises monitoring and reporting requirements and schedule. The Company will supervise implementation of all E&S management and mitigation measure by the EPC and

	O&M Contractors and report annually to AIIB on its progress in implementing the ESMP and Environmental and Social Action Plan (ESAP), and on its E&S performance. The Lender's Technical Advisor will conduct semi-annual third party E&S monitoring of the Project during the construction phase and AIIB will also conduct an annual E&S supervision mission.	
Cost and Financing Plan	Total Project Cost is approximately US\$400 million, of which AIIB loan is about US\$60 million and the rest is to be funded by the sponsors and other financial institutions.	
Borrower	Shams Ad-Dhahira Generating Company SAOC	
Sponsors	International Company for Water and Power Projects (ACWA Power) Gulf Investment Corporation (GIC) Alternative Energy Projects Co. (AEPC)	
Estimated date of last disbursement	June 1, 2021	
Contact Points:	AIIB	Borrower
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Date of Concept Decision	May 7, 2019	
Date of Final Review Decision	February 11, 2020	
Estimated Date of Financing Approval	March 16, 2020	

Independent Accountability Mechanism	The Project-affected People's Mechanism (PPM) has been established by the AIIB to provide 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 its Environmental and Social Policy in situations when their concerns cannot be addressed satisfactorily through Project-level Grievance Redress Mechanisms or AIIB Management's processes.
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	For information on how to make submissions to the PPM, please visit https://www.aiib.org/en/policies-strategies/operational-policies/policy-on-the-project-affected-mechanism.html
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