



Project Summary Information

Date of Document - May 19, 2020	
Project Name	Maldives Solar Power Development and Energy Storage Solution
Document Code	PD000377-PSI-MDV
AIIB member	Republic of Maldives
Sector/Subsector	Energy / Renewable Energy Transmission
Status of Financing	Under Preparation
Project Description	<p>The Project involves the development of 36 MW solar power project and 106 MWh of battery energy storage solutions across five islands (Addu, Fuvahmulah, Greater Male, Hulhumeedhoo, Thimarafushi) in the Maldives. The Project also involves grid modernization for the integration of variable renewable energy with the grid. The Project comprises of following components:</p> <p>Component 1. Solar PV Risk Mitigation Component 2. Battery Energy Storage System (BESS) Component 3. Grid Modernization for Variable Renewable Energy (VRE) Integration Component 4. Technical Assistance</p> <p>AIIB loan will finance activities under Component 3. The Project is co-financed with the World Bank (WB), Clean Technology Fund (CTF), and Canada Facility.</p>
Objective	To increase generation capacity from renewable energy sources and to facilitate the integration of renewable energy through battery energy storage solutions.
Expected Results	<p>The project is expected to result in increased generation capacity from renewable energy and the integration of renewable energy. The key indicators include the following:</p> <ol style="list-style-type: none"> 1) Renewable energy generation capacity constructed under the Project (Megawatt) 2) Private Capital Mobilized (USD million) 3) Installed capacity of BESS

	4) Reduction in Net Annual Greenhouse Gas (metric tons)
Environmental and Social Category	World Bank Category “Moderate” (equivalent to Category B under AIIB’s ESP)
Environmental and Social Information	<p>The project will be cofinanced with the WB as lead cofinancier. To ensure a harmonized approach to addressing ES aspects of the project, as permitted by AIIB’s Environmental and Social Policy (ESP), the WB’s new Environment and Social Framework (ESF) will apply to the project in lieu of AIIB’s ESP. AIIB has reviewed the WB’s ESF and is satisfied that (i) WB’s ESF is consistent with AIIB’s Articles of Agreement and materially consistent with the provisions of AIIB’s ESP and the relevant ES Standards; and (ii) the monitoring procedures that are in place are appropriate for the project. Under the WB ESF, the Project has been assigned a Moderate Environmental and Social Risk Classification which is equivalent to a Category B project if AIIB’s ESP were applicable. An Environmental and Social Management Framework, accompanied by an Environmental and Social Commitment Plan, a Stakeholder Engagement Plan, Labor Management Procedure, and Gender Action Plan have been prepared to meet the requirements of WB ESF and disclosed in WB website. For component 2 and 3 activities, Environmental and Social Impact Assessment and Environmental and Social Management Plan will be prepared. A three-tier Grievance Redress Mechanism (GRM) is included in the SEP and referenced in the ESMF.</p> <p>Project activities are not expected to result in involuntary resettlement as land/space needed will utilize either existing government property or will be procured through lease agreements. WB’s assessment finds that there is no evidence suggesting the presence of Indigenous Peoples/Sub-Saharan Historically Underserved Traditional Local Communities in Maldives, therefore Project activities will not have an impact on Indigenous Peoples.</p> <p>Environmental risks associated with the solar energy generation system investments include future decommissioning of the solar energy systems at the end of their lifetime, and the grid upgrade works. However, these are expected to be localized in nature and arise only during construction with localized impacts such as dust/noise pollution and waste generation, as well as issues related to worker health and safety. There is also the need to manage any toxic wastes from the use of batteries during the operational stage of the project. The team will ensure disclosure of the other safeguards instruments once finalized.</p>

Cost and Financing Plan	<u>Cost and Financing Plan (USD millions)</u>					
	Item	Financiers				
		AiIB	IDA	CTF	Canada Facility	Grant Total
	Baseline Costs					
	Component 1		31.0			31.0
	Component 2			25.0		25.0
	Component 3	20.0		2.0	5.0	27.0
	Component 4			3.0		3.0
Grand Total	20.0	31.0	30.0	5.0	86.0	
Borrower	Ministry of Finance, Maldives					
Implementing Entity	Ministry of Environment, Maldives					
Estimated date of loan closing	10/2025					
Contact Points:	AiIB	World Bank	Borrower	Implementing Entity		
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Date of Concept Decision	May 19, 2020					
Estimated Date of Appraisal Decision	July 2020					
Date of Financing Approval/Estimated Date of Financing Approval	Q3 2020					

Independent Accountability Mechanism	As noted above, the WB's ESF will apply to this project instead of AIIB's ESP. Pursuant to AIIB's agreement with WB, AIIB will rely on WB's corporate Grievance Redress Service (GRS) and its Independent Accountability Mechanism, the Inspection Panel, to handle complaints relating to ES issues that may arise under the project. Consequently, in accordance with AIIB's Policy on the Project affected People's Mechanism (PPM), submissions to the PPM under this project will not be eligible for consideration by the PPM. Information on WB's corporate GRS is available at http://www.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service . Information on WB's Inspection Panel is available at http://www.inspectionpanel.org .
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