

## SBF Project Implementation Monitoring Report

### Maldives: Maldives Solar Power Development and Energy Storage Solution

#### 1. Project Information

Project ID:	000377	Investment Number:	L0377A
Member:	Maldives	Region:	Southern asia
Sector:	Energy	Sub-sector:	Renewable energy generation-solar
AIB Financing Type:	Loan: 20 USD million	Co-financier(s):	World Bank
E&S category:	B	Borrower:	Ministry of Finance, Maldives
Red Flags Assigned:	0	Monitoring Regime:	Regular Monitoring
Implementing Agency:	Ministry of Environment, Maldives		
Project Team Leader:	Amit Kumar		
Project Team Members:	Bernardita Saez, David Morgado, Gerardo Pio Parco, Irish Fe Aguilar, Sunhye Park, Wei Huang, Yangzom Yangzom, Yogesh Malla, Sunhye Park		
Completed Site Visits by AIB:	None		
Planned Site Visits by AIB:	Sep, 2021 Tentatively planned for Q3 2021		

#### 2. Project Summary and Objectives

**Project Summary:** The project involves the development of a 36-megawatt (MW) solar power project and 50 megawatt hours (MWh) of battery energy storage solutions across various selected islands in the Maldives. The project also involves grid modernization to integrate variable renewable energy with the grid, which will be financed under the AIB loan.

The project comprises the following components:

- Component 1. Solar Photovoltaic (PV) Risk Mitigation
- Component 2. Battery Energy Storage System (BESS)
- Component 3. Grid Modernization for Variable Renewable Energy (VRE) Integration
- Component 4. Technical Assistance

**Project Objective:** To increase generation capacity from renewable energy sources and to facilitate the integration of renewable energy into the grid infrastructure of Maldives

#### 3. Key Dates

Approval:	Feb. 25, 2021	Signing:	Mar. 17, 2021
Effective:	Jun. 16, 2021	Restructured (if any):	
Orig. Closing:	Jun. 30, 2026	Rev. Closing (if any):	

#### 4. Disbursement Summary (million)

Currency:	USD		
a) Committed:	20	b) Cancellation (if any):	
c) Disbursed:	0	d) Most recent disbursement: (amount / date)	0,
e) Undisbursed:	20	f) Disbursement Ratio(%) <sup>1</sup> :	0

<sup>1</sup> Disbursement Ratio is defined as the volume (i.e. the dollar amount) of total disbursed amount as a percentage of the net committed volume, i.e.,  $f = c / (a - b)$

#### 5. Project Implementation Update

No contracts awarded until now.

Components	Physical Progress	Environmental & Social Compliance	Procurement
Component 1. Solar Photovoltaic (PV) Risk Mitigation	No physical progress	In compliance	- 10 MW Floating PV PQ was released by ME last year and 4 parties shortlisted - WB hired consultancy (Suntrace) is working with ME to finalize the RFP for the 10 MW. This will be done over the next month and half - In addition to this, another PQ for ground mounted solar was released by me on 22 June 2021. This is for a 11-14 MW PV project in the L. Atoll, Lh. Naifaru, Dh. Kudahuvadhoo, GA. Villingili & Sh. Funadhoo Under Design, Build, Finance, Own, Operate and Transfer (DBFOOT) Basis
Component 2. Battery Energy Storage System (BESS)	No physical progress	in compliance	- ME has published the PQ for 40 MW/40 MWh BESS in two lots (Published on 10 June 2021) oLot 1 of 24 MW/24 MWh oLot 2 of 16 MW/16 MWh
Component 3. Grid Modernization for Variable Renewable Energy (VRE) Integration	No physical progress	in compliance	- Discussions ongoing between the utility and ME on the sizing of the grid upgrade - ME hired owners engineer (Entura) is supporting them for this
Component 4. Technical Assistance	Not applicable	in compliance	ME has hired the owner's engineer to support them on the various components

#### Financial Management:

The Project Management Unit (PMU) under the Ministry of Environment for the ASPIRE project (previous World Bank project) shall continue to function as the PMU for the project. The planning, budgeting, funds flow, accounting, reporting, internal controls, and audit arrangements shall be aligned with the government's system. The PMU shall prepare annual work plan and budget as per procurement plan and financing agreement. The PMU is staffed with a project director, financial management specialist, and procurement specialist.

#### 6. Status of the Grievance Redress Mechanism (GRM)

A grievance redress mechanism (GRM) is in the process of being set up, based on the experience from previous energy projects implemented in the Maldives.

#### 7. Results Monitoring

It is too early for actual results with no physical progress. The development objective of the Project is to increase generation capacity from renewable energy sources and to facilitate the integration of renewable energy into the grid infrastructure of Maldives.

Baseline Year: Dec. 31, 2020 End Target Year: Dec. 31, 2025

##### Project Objective Indicators #1

I. Renewable energy generation capacity constructed or rehabilitated under the project (MW).

Year	Target	Actual	Others, if any
Dec. 31, 2025	36	0	Awarding of solar PV projects under bidding process

##### Project Objective Indicators #2

Private capital mobilized (USD Million)

Year	Target	Actual	Others, if any
Dec. 31, 2025	45	0	Awarding of solar PV projects under bidding process

##### Project Objective Indicators #3

Electrical transmission and distribution lines constructed (medium- and low-voltage) and/or rehabilitated (in km)

Year	Target	Actual	Others, if any
Dec. 31, 2025	100	0	Implementation of grid up-gradation is expected to start later in 3Q 2021.

## Project Objective Indicators #4

Annual greenhouse gas (GHG) emission reduction (metric tons of CO<sub>2</sub>)

Year	Target	Actual	Others, if any
Dec. 31, 2025	33500	0	

## Project Objective Indicators #5

Installed capacity of BESS (MWh)

Year	Target	Actual	Others, if any
Dec. 31, 2025	50	0	under bidding process

## Intermediate Result Indicators #1

1. Number of new renewable energy jobs created for women

Year	Target	Actual	Others, if any
Dec. 31, 2025	12	0	Jobs creation shall happen closer to project commissioning in 2023

## Intermediate Result Indicators #2

2. Number of women entering project-funded renewable energy job training

Year	Target	Actual	Others, if any
Dec. 31, 2025	22	0	Jobs creation shall happen closer to project commissioning in 2023

**Remarks:** Recently, ME shared Environmental and Social Code of Practice for Battery Energy Storage System. AIIB E&S reviewed the same and found it satisfactory. However, AIIB E&S team has requested for additional information which would be provided by the implementing agency.