



Project Summary Information

Date of Document Preparation: 18 April 2023

Project Name	Fourth Partner Energy Distributed Solar Generation
Project Number	P000637
AIIB member	India
Sector/Subsector	Energy
Alignment with AIIB's thematic priorities	Green infrastructure
Status of Financing	Under Preparation
Objective	To support the development of distributed solar generation in India under rooftop solar and open access models.
Project Description	The Project involves long tenor financing to Fourth Partner Energy Private Limited (FPE), a leading independent power producer (IPP), for the development and operation of a portfolio of distributed solar projects. The portfolio comprises rooftop and ground-mounted solar projects with an aggregate capacity of 602MWp for commercial & industrial (C&I) clients. The proposed financing would streamline financing structure by providing debt through a single facility to a diversified pool of assets, thereby providing the benefits of scale, ease of administration, and pooling of cash flows.
Expected Results	The results of the Project will be measured through: (a) Annual generation of renewable energy (GWh) (b) Greenhouse gas emission avoidance (Tons of CO ₂ equivalent per year)
Environmental and Social Category	Category B

Environmental and Social Information	<p>Environmental and Social Policy, Standards, and Categorization. The Project will be co-financed with IFC as lead co-financier, and Project's environmental and social (ES) risks and impacts have been assessed in accordance with the IFC's Policy on Environment and Social Sustainability (ESSP) and the Performance Standards (PSs). To ensure a harmonized approach to addressing ES risks and impacts of the Project, and as permitted under AIIB's Environmental and Social Policy (ESP), IFC's ESSP and PSs will apply to the Project in lieu of AIIB's ESP. AIIB has reviewed the IFC's ESSP and PSs and is satisfied that: (a) they are consistent with the provisions of AIIB's ESP, including AIIB's Environmental and Social Exclusion List (ESEL) and the relevant Environmental and Social Standards (ESSs); and (b) the monitoring procedures that are in place are appropriate for the Project. IFC has categorized the investment as a Category B project according to IFC's ESSP. This is equivalent to Category B if AIIB's ESP were applicable.</p> <p>Environment: Based on information reviewed by IFC¹, the proposed Project will have limited adverse ES impacts that are few, site specific, largely reversible, and readily addressed through existing mitigation measures and good international industry practices (GIIP). Most of these ES impacts occur only during the brief construction period and include air quality and noise impacts, community safety impacts from the temporary influx of project vehicles and non-resident workers, occupational health and safety (OHS) risks for workers, contractor management, resource efficiency, and waste management. During operations, the main ES risks and impacts are related to stakeholder engagement and biodiversity management.</p> <p>Biodiversity: Rooftop solar projects will have a negligible impact on biodiversity due to their installation on existing commercial and industrial buildings. Ground mounted open access sites present a relatively higher biodiversity risk profile. Critical habitat screening of all project-financed Open Access (OA) sites suggests that critical habitat values may exist for three of the sites related to the critically endangered Great Indian Bustard and Lesser Floricane. The three sites include Atharga (Karnataka), Gondal (Gujarat) and Pavagada (Karnataka). Critical habitat screening suggests that there is a limited probability that four OA sites could partially meet IFC's PS6 Biodiversity critical habitat applicability criteria. Therefore, FPE will adopt a precautionary approach and develop site specific Biodiversity Action Plans to ensure net gain for critical habitat species through collision and electrocution mitigations and community-based habitat conservation.</p> <p>Social: All land for OA panel installation is identified and has been or is being acquired on Willing Buyer / Willing Seller basis with no option of recourse to judicial expropriation. Site visits and interviews with landowners and community members by IFC in the project areas confirmed that no third-party tenants or sharecroppers are adversely affected by these transactions.</p>
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¹ <https://disclosures.ifc.org/project-detail/ESRS/46362/fp-energy-pf>

	<p>Stakeholder Engagement and Grievance Mechanism: FPE's ESMS includes a Stakeholder Engagement Framework (SEF) to guide their stakeholder engagement activities in the form of Stakeholder Engagement Plans (SEP) applicable throughout the project cycle, from planning and preconstruction through decommissioning. The SEF advises FPE on how to conduct stakeholder mapping and analysis and recommends appropriate engagement methods and monitoring and reporting processes, among others. For each OA site, SEPs will include a grievance mechanism and measures to encourage participation of project-affected people especially vulnerable or disadvantaged people.</p> <p>E&S Information Disclosure: FPE's FY21-22 Sustainability Report is available here: https://www.fourthpartner.co/impact-reports.html. IFC reviewed Environment and Social Impact Assessments (ESIA) for two operational OA sites. These ESIA's are disclosed in the Client Documentation section of IFC's Project Disclosure portal. Two remaining ESIA's for early-stage OA subprojects will be completed and disclosed.</p>		
Cost and Financing Plan	The total project cost is approximately USD343 million, of which AIIB loan is about USD50 million and the rest is to be funded by the sponsors and other financial institutions.		
Sponsor	The Sponsor of the Project is Fourth Partner Energy Private Limited		
Estimated date of last disbursement	Q3 2023		
Contact Points:	AIIB	IFC	Sponsor
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Date of Concept Decision	N/A		
Date of Appraisal Decision	April 5, 2023		
Estimated Date of Financing Approval	May 19, 2023		

Independent Accountability Mechanism	AIIB's Policy on the Project-affected Peoples Mechanism (PPM) applies to this Project. The PPM has been established by 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 the ESP in situations when their concerns cannot be addressed satisfactorily through the GRM or the processes of AIIB's Management. Information on AIIB's PPM is available at: https://www.aiib.org/en/about-aiib/who-we-are/project-affected-peoples-mechanism/how-we-assist-you/index.html
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