



Project Summary Information

Date of Document Preparation: 01/15/2024 Date of Last Update: 05/10/2024	
Project Name	Project Meridian
Project Number	P000776
AIIB member	Republic of India
Sector/Subsector	Energy / Solar
Alignment with AIIB's thematic priorities	Green infrastructure; Private Capital Mobilization
Status of Financing	Approved
Objective	To support the development of Infrastructure Investment Trust (InvIT) as an infrastructure asset class in India by financing the InvIT's acquisition of renewable energy assets.
Project Description	<p>Mahindra Susten Private Limited (MSPL), backed by Mahindra Group and 2726522 Ontario Limited (a 100% subsidiary of the Ontario Teachers' Pension Plan Board (OTPPB) jointly referred to as the Sponsors, have set-up and registered an Infrastructure Investment Trust under the SEBI InvIT Regulations called Sustainable Energy Infra Trust (SEIT, the Trust). The Trust is set up with an investment strategy focused on renewable energy, supporting India to achieve its Net Zero targets. The Trust will acquire from the Sponsors' portfolio consisting of eight 100 percent operational solar power projects of 1.54 gigawatt peak (GWp) capacity (Portfolio Assets).</p> <p>AIIB's investment into Units (InvIT Units) to be issued by the Sustainable Energy Infra Trust (SEIT, the Trust) will finance the Project, which consists of the Trust's acquisition of eight identified renewable energy assets (Portfolio Assets), by de-leveraging and paying the Trust's set-up expenses. By supporting the formation of SEIT, Sponsors will be provided an efficient financing channel to monetize investments in revenue-generating infrastructure assets, thereby freeing up the much-needed capital for Sponsors to undertake new project development. In addition, the Project contributes to mobilizing private capital, and building the capital-raising track record of InvITs as an infrastructure asset class in India.</p>
Expected Results	Project Objective Indicators:

	<ul style="list-style-type: none"> (i) Indirect private capital mobilized (ii) Electricity generated (MWh per annum) (iii) Number of new InvITs in India in 5 years <p>Intermediate Result Indicator:</p> <ul style="list-style-type: none"> (iv) GHG emission avoidance (gCO2 equivalent per year).
Environmental and Social Category	Category B
Environmental and Social Information	<p>AIIB's Environmental and Social Policy (ESP), including the Environmental and Social Exclusion List and Environmental and Social Standards, are applicable to this Project. The environmental and social (E&S) risks of the Project are considered Medium since the impacts identified are limited, localized, reversible, and can be effectively managed through an Environmental Social and Management System (ESMS) implementation that includes policies, management plans, and practices as well as institutional arrangements. The eight Portfolio Assets have been in operation for several years now with no material legacy issues. E&S risks have been assessed by Mahindra Susten Private Limited (MSPL) at the individual asset level with risk-mitigation measures defined and largely implemented.</p> <p>For the SEIT, the E&S instrument for the management of E&S aspects will be an ESMS. SEIT ESP has been reviewed together with Environmental and Social Action Plan (ESAP) that outlines the commitment and timelines for development of ESMS. The ESP is based on the International Finance Corporation's Performance Standards, the World Bank Group Environmental, Social, Health and Safety guidelines, and other Good International Industry Practice. Further, the SEIT ESMS integrates all the existing E&S policies and will be finalized to the satisfaction of the good international industry practices. The ESP governs the process of assessments and management of risks and impacts of potential SEIT's assets. AIIB is satisfied that SEIT's ESP is aligned with AIIB's ESP.</p> <p>The Portfolio Assets encompass eight identified solar plants in operation for several years, across five states in India. All the assets are built on land not suitable for agricultural activities, largely provided by the government or purchased from local stakeholders following the willing buyer and willing seller arrangements. The Project Team's field validation as well as external legal counsel's due diligence has not identified any legacy concerns in respect of lands of the assets.</p> <p>Existing policies and procedures applied by the MSPL at corporate level as well as on asset level have been developed with reference and in compliance with the International Labor Organization (ILO) recommendations. The Occupational Health and Safety (OHS) risks and impacts of SEIT and its assets are assessed to be localized, temporary and can be mitigated through existing OHS management provisions that are proportionate to the assessed risks and impacts of individual assets. ESP of SEIT includes provisions in respect of labor and working conditions. To address gender-based discrimination risks,</p>

	grievance channels are open for all employees. SEIT ESMS has enhanced the gender focus and include gender-specific indicators for monitoring and reporting. MSPL discloses an annual Corporate Sustainability report. SEIT ESP has provisions in respect of grievance management and stakeholder engagement. Provisions in respect of continued stakeholder engagement are included in SEIT ESMS. MSPL's functioning GRM at the asset level, was verified by the Project Team during field visits. The SEIT ESMS, has enhanced measures for monitoring and reporting of ES performance, information disclosure as well as effective and operational GRM at asset level and at the Trust level. A deferral of disclosure was granted. SEIT's ESP has been available on SEIT website since January 17, 2024.		
Cost and Financing Plan	INR4.86 billion		
Investment Target	Sustainable Energy Infra Trust		
Date of First Disbursement	January 08, 2024		
Contact Points:	AIIB		Sustainable Energy Infra Trust
Name	Neeraj Jain	Pramod Vijayasankar	Devjeet Ghosh
Title	Senior Investment Officer	Lead Investment Officer	General Counsel and Chief Compliance Officer
Email Address	Neeraj.jain@aiib.org	pramod.vijayasankar@aiib.org	compliance@seit.co.in
Date of Concept Decision	June 21, 2023		
Date of Appraisal Decision	Nov 22, 2023		
Date of Financing Approval	Dec 14, 2023		
Disclosure	The Investment Committee approved the deferral of disclosure of this Project Summary Information pursuant to the Directive on the Operational Policy on Financing, due to regulatory requirements and commercial sensitivity in the context of the offering and private placement of InvIT units.		

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. Information on the PPM is available at AIIB's website .
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