Project Summary Information

	Date of Document Preparation: 25 October 2024
Project Name	SAEL Solar Power
Project Number	000840
AIIB Member	Republic of India
Sector / Subsector	Energy / Renewable energy generation – solar
Alignment with AIIB's Thematic Priorities	Green infrastructure and Private capital mobilization
Status of Financing	Under preparation
Project Objective	To promote clean energy power generation in India by increasing the installed capacity of utility scale solar photovoltaic power plants.
Project Description	The project involves the design, development, construction, operation and maintenance of 300 MW ac solar photovoltaic (PV) power plant located in the state of Andhra Pradesh, India (the Project). The power generated from the solar plant shall be evacuated to the grid through a proposed ~12.8 km transmission line connecting the project sub-station to the grid sub-station at the Kurnool-III power station (owned by Power Grid Corporation of India Ltd., a state-owned entity). The Project will sell electricity to Solar Energy Corporation of India through a power purchase agreement (PPA) for a period of 25 years from the scheduled commercial operation date. The tariff for the Project was determined through a tariff based competitive bidding is INR2.60 per kWh (~USD3.17 US cents per kWh) for the term of the PPA. The Sponsor of the Project is SAEL Industries Limited (SAEL Industries), an emerging renewable energy company in India. SAEL Industries has an overall contracted solar power asset portfolio of ~4,455 MW which comprises of ~365 MW of operating capacity, and the balance under construction and pre-development which the company plans to install by 2026.

	The estimated total project cost is USD192 million. The proposed total debt financing for the Project is USD144 million which would primarily be used to fund the construction of the solar plant and other costs such as financing costs, contingency etc.
Expected Results	The result from the Project includes: (i) annual generation of renewable energy (GWh) and (ii) reduction of GHG (tons of CO2 equivalent per year) emissions.
Environmental and Social Category	Category B
Environmental and Social Information	**Applicable Policy and Categorization.** AIIB's Environmental and Social Policy (ESP), including the Environmental and Social Exclusion List, Environmental and Social Standards (ESS) 1 (Environmental and Social Assessment and Management), and ESS 2 (Land Acquisition and Involuntary Resettlement) shall apply to the Project. Since there are no indigenous community in the project area, ESS 3 (Indigenous Peoples) is not applicable. The Project has been classified as Category B since: (i) it has a limited number of potentially adverse environmental and social (E&S) impacts; (ii) the impacts are not unprecedented; few if any of them are irreversible or cumulative; they are limited to the project area; and (iii) since the borrower has inhouse capacity to manage the E&S risks, that can be successfully managed using good practice in an operational setting. **Environmental and Social Instruments.** The Project through an independent consultant has conducted an Environmental and Social Impact Assessment (ESIA) and based on the findings of the ESIA, an Environmental, Social, Health and Safety Management Plan (ESMP) has been prepared that complies with country E&S requirements, AIIB ESP and aligns with good international industry practices (GIIP). A Livelihood Restoration Framework (LRF) has been developed to mitigate adverse economic impacts largely due to 12.8 km of transmission line. A detailed Livelihood Restoration Plan (LRP) will be prepared during the implementation stage based on training need assessment of the landowners. **Environmental Aspects.** The potential environmental impacts include impacts on the surface water bodies in immediate vicinity of the proposed site, changes in natural water drainage patterns can occur due to land levelling and infrastructure possibly affecting local hydrology, conversion of natural habitats or agricultural land can disrupt local ecosystems and wildlife habitats potentially leading to loss of biodiversity, soil compaction and erosion can occur during construction impacting soil health and water retention capacity resulting in increased pressure on the available water resources in the study region and the solar project park may act as a physical barrier for animals, disrupting their natural movement and feeding patterns. The ESIA study confirms the presence of approximately 100 to 120 trees within the study area, however most of these would be retained during the layout planning process as confirmed by the Borrower (SAEL Solar MHP1 Private Limited). There are also two non-perennial nala present within the site connecting the Penna River at approximately 1.8 km aerial distance from

	the site. No impacts are envisaged on the drainage as adequate buffer distance to natural drainage channels would be proposed as mitigation measures in the ESMP. To understand the likelihood of critical habitat for the Project, a Critical Habitat Screening was conducted using IBAT tool to identify threatened species likely to occur within or nearby the project area. The ESIA report provides interim details on the transmission line impacts which shall be updated by the consultant when the alignment and other technical details are finalized. **Social Aspects.** The Project will take 1,500 acres of private dry agriculture land on 29 years of long-term lease out of 1,881.32 acres identified for the Project. The Project has ensured that there is no physical displacement and no loss of and/or loss of access to public and private property. The ESIA evaluated the process of land lease to ensure that land taking process was fair and there are no legacy issues with the land. The ESIA also established that land leasing process has not resulted in physical displacement. The discussion with the landowners confirmed that majority of them have land outside of the leased land with irrigation facility. The transmission line will not lead to any physical displacement though there will be economic losses in terms of crop damages. During the construction phase of the project, nearly 200 construction workers will be employed at the project site. A Workers Management Plan (WMP) prepared by the Project will ensure that issues related to SEA/SH if any, are addressed properly. SAEL Industries at the corporate level has established the Environmental and Social Management System (ESMS) and the same will be applicable on the Project. The established ESMS has provisions and framework to ensure the labor rights and welfare covering both on-roll employees and contractual workers. **Gender Aspects.** The Project conducted gender analysis as part of the ESIA and based on that a Gender Action Plan (GAP) that aims to promote gender equality and address gender specific challenges has been prepared. It ensures that gender perspectives are integrated into all aspects of planning, implementation, monitoring, and evaluation of projects to empower women, improve their access to opportunities, and reduce gender-based disparities. SAEL Industries had formulated the Policy on Prevention of Sexual Harassment to create and maintain safe working environment for women at workplace. The policy mentions about the procedure for raising complaints, manner of inquiry, confidentiality etc. Two gender related indicators that will be monitored during the course of the Project include: (i) percentage of women and men employed and trained in project related roles; and (ii) changes in gender-based decision making power in the local communities. **Occupational Health and Safety, Labor and Employment Conditions.** The Project as part of the ESIA assessed health and safety risks to project workers and Project-affected communities, and measures have been put in place to prevent accidents, injuries and disease (including as appropriate, measures in line with internationally recognized standards to avoid or minimize exposure to communicable and noncommunicable diseases, including pandemics) associated with the Project. Given that the Project involves a large scale construction, a WMP has been prepared as part of the ESIA. There are potential

	impacts and risks associated with supply chains in relation to labor and working conditions. SAEL Industries has mentioned to have an ESMS in line with IFC Performance Standards and World Bank EHS Guidelines. The Sponsor has shared copies of its Contract Management and Supply Chain Policy, Supplier Code of Conduct, and E&S clauses to be provided in contract agreements (covering special clauses, and health and safety and labor clauses). **Stakeholder Engagement, Consultation and Information Disclosure.** The Project has identified stakeholders and consultation with the stakeholders were carried out to disseminate project information and to take their feedback on the project design, land procurement process, project's resource requirement, project's proposed activities, and social and environmental management plan. The feedback from the stakeholders have been incorporated in the design of the Project. To ensure continuous engagement with the stakeholders, the Project has developed SEP as part of ESMP that details out method of engagement, stages of engagement and purpose of engagement. The E&S instruments in English and summary in local language (Telugu) will be disclosed by SAEL Industries on its website and hard copies to be kept in the project area. This documentation will also be disclosed on AIIB's website. **Project Grievance Redress Mechanism.** The Project will establish a multi-tier, gender responsive, culturally appropriate grievance redress mechanism (GRM) that will be accessible to the project affected individuals and communities free of cost. The Project will maintain the logbook of grievances received either in writing or verbal and also those recorded in the grievance register placed at the project site. The information of established GRM and AIIB's Project Affected Peoples Mechanism (PPM) will be timely disclosed in an appropriate manner. The status of grievances will be recorded and updated every week. **Monitoring and Supervision Arrangements.** Monitoring will be the responsibility of the Borrower and SAEL Industries supported by a qualified independent environmental and social advisory firm. The monitoring reports will be prepared semi-annually based on agreed formats and be provided to AIIB for review. The Bank will retain rights to conduct field supervision and monitoring visits during project implementation.
Cost and Financing Plan	The estimated total project cost is USD192 million. AIIB's proposed financing is a senior secured loan of up to USD67 million.
Borrower	SAEL Solar MHP1 Private Limited
Sponsor	SAEL Industries Limited

Estimated Date of Last Disbursement	Q2 2025		
Contact Points:	**AIIB**	**Borrower**	**Sponsor**
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Date of Concept Decision	December 14, 2023		
Date of Appraisal Decision	October 31, 2024		
Estimated Date of Financing Approval	December 2024		
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 GRM or AIIB Management's processes. For information on how to make submissions to the PPM, please visit https://www.aiib.org/en/about-aiib/who-we-are/project-affected-peoples-mechanism/how-we-assist-you/index.html.		