



Powering a Sustainable Future

Description of the Project (Summary Of Investments)

This Project involves the development, financing, construction, operation and maintenance of 2 solar photovoltaic plants of 50 MW_{ac} each for a combined capacity of 100 MW_{ac} (136 MW_{dc}) in the Ananthapuramu Solar Park in Andhra Pradesh. The solar park is being developed by Andhra Pradesh Solar Park Corporation Limited, a joint venture between State Government and Solar Energy Corporation of India (SECI).

The Project is being implemented under the Jawaharlal Nehru National Solar Mission program, Phase II Batch 3. The offtaker for the Project is SECI which will be selling the power to the AP state discoms through a Power Sale Agreement.

The Projects will be domiciled in two special purpose companies incorporated in India wholly owned by an international developer - Fotowatio Renewable Ventures BV (FRV, the “Sponsor”).

Project Sponsor and Shareholders of Project Company

FRV, the Sponsor, is a global solar development company with a development portfolio of 1GW across emerging solar markets such as Australia, the Middle East, Africa and Latin America. FRV is fully owned by the Abdul Latif Jameel (“ALJ”) group of Saudi Arabia.

Total Project Cost and Amount and Nature of IFC’s Investment

The Project cost is estimated at ~US\$119 million, funded through 75% debt and 25% equity. IFC is subscribing to Non-Convertible Debentures of ~US\$29 million and mobilization of ~US\$58 million.

Project Location

Located in the Ananthapuramu solar park of Andhra Pradesh, 4 hour driving distance from Bangalore city center.

Expected Development Impact of the Project

1. *Increasing clean energy production:* Directly increasing power generation by 200GWh per year, thus promoting renewable energy in line with climate change strategy by displacing approximately 163,475 tons of CO₂ per year. The Project contributes to the government goal to create 175GW of renewable energy capacity by 2022.



Powering a Sustainable Future

2. *Employment generation:* Job creation is a key priority of the government in the coming years. This Project will provide permanent and temporary employment (50 people) during the lifecycle of the Project i.e. Construction, Operation and Maintenance.

IFC's Expected Role & Additionality

Supporting entry of an international developer in India: IFC will support an international developer to move into India aided by IFC capital and expertise.

Creating Market for long tenor NCDs: This will be the first NCD/Green Bond product financing by IFC in Indian infrastructure sector, whereby IFC will be using the proceeds from the attractively priced Masala Bonds. IFC will provide an up to 18-year NCD with a debt repayment profile that matches the cash flows of the Project and long-lived nature of the assets being financed.

Crowding in International DFI: IFC is syndicating financing from FMO, which will also for the first time use its NCD product to finance a transaction in the energy sector.

Environmental and Social Categorization Rationale - Environment Category (B - Limited)

This is a Category B project according to IFC's Sustainability Policy as the E&S impacts associated with the project are limited, generally site-specific and could be addressed through the implementation of standard good international industry practices. The company will manage its environmental and social performance in accordance with applicable local laws and regulations and international standards, including IFC's Performance Standards on Social and Environmental Sustainability.

Description of Main Environmental & Social Risks and Impacts of the Project

The key E&S issues largely relate to: social impacts due to economic displacement arising out of land acquisition by APSPCL; cumulative E&S impacts especially on water resources, land, and social aspects due to solar park development; construction phase E&S impacts; procurement and management of human resources including contract workers in accordance with IFC PS 2 requirements given that the project will be constructed, operated and maintained by an EPC company during its initial years; occupational health and safety issues during operational phase; and wildlife protection and preventing man-animal conflict due to close proximity to reserved forest areas.



Powering a Sustainable Future

Please refer to the Environmental and Social Review Summary (ESRS) linked to this project SII in the IFC's project disclosure website.

Environmental and Social Action Plan

Refer to the E &S Action Plan tab in the ESRS on the SPI (publishing) site.