



Project Summary Information

Date of Document – February 25, 2021	
Project Name	Maldives Solar Power Development and Energy Storage Solution
Document Code	PD000377-PSI-MDV
AIIB member	Republic of Maldives
Sector/Subsector	Energy / Renewable Energy Transmission
Status of Financing	Approved
Project Description	<p>The Project involves the development of 36 MW solar power project and 50 MWh of battery energy storage solutions across various selected islands in the Maldives. The Project also involves grid modernization for the integration of variable renewable energy with the grid, which will be financed under the proposed AIIB loan. The Project comprises of the following components:</p> <p>Component 1. Solar PV Risk Mitigation Component 2. Battery Energy Storage System (BESS) Component 3. Grid Modernization for Variable Renewable Energy (VRE) Integration Component 4. Technical Assistance</p> <p>The AIIB loan will finance activities under Component 3. The Project is co-financed with the World Bank (WB) and Clean Technology Fund (CTF).</p>
Objective	To increase generation capacity from renewable energy sources and to facilitate the integration of renewable energy into Maldives' grid infrastructure.
Expected Results	<p>The project is expected to result in increased generation capacity from renewable energy and the integration of renewable energy. The key indicators include the following:</p> <ol style="list-style-type: none"> 1) Renewable energy generation capacity constructed or rehabilitated under the Project (Megawatt) 2) Private capital mobilized (USD million) 3) Electrical transmission and distribution lines constructed (medium and low voltage) and/or rehabilitated (km)

	<p>4) Greenhouse gas emission reduction (metric tons of carbon dioxide [CO₂] equivalent per year)</p> <p>5) Installed capacity of BESS (MWh)</p>
Environmental and Social Category	WB Category “Moderate Risk” (equivalent to Category B under AIIB’s ESP)
Environmental and Social Information	<p>The project will be cofinanced with the WB as lead cofinancier, and the project’s environmental and social (ES) risks and impacts have been assessed in accordance with the WB’s Environmental and Social Framework (ESF). To ensure a harmonized approach to addressing the ES risks and impacts of the project, and as permitted under AIIB’s Environmental and Social Policy (ESP), the WB’s ESF will apply to the project in lieu of AIIB’s ESP. AIIB has reviewed the WB’s ESF and is satisfied that: (i) it is consistent with AIIB’s Articles of Agreement and materially consistent with the provisions of AIIB’s ESP, including the relevant ES Standards; and (ii) the monitoring procedures that are in place are appropriate for the project. The WB has categorized the ES risks of the project as Moderate, which is equivalent to Category B if AIIB’s ESP were applicable. An ES Management Framework (ESMF), accompanied by an ES Commitment Plan, a Stakeholder Engagement Plan (SEP), Labor Management Procedure, and Gender Action Plan have been prepared to meet the requirements of the WB ESF and have been disclosed on the WB website¹ and the website of the Borrower². Links to these documents will be included on the AIIB site. For Components 2 and 3, an ES Impact Assessment and an ES Management Plan will be prepared and similarly disclosed. A three-tier Grievance Redress Mechanism (GRM) is included in the SEP and referenced in the ESMF.</p> <p>Project activities are not expected to result in involuntary resettlement as land/space needed will either involve existing government property or will be procured through lease agreements. The WB’s assessment finds that there is no evidence suggesting the presence of Indigenous Peoples in the Maldives, therefore the project will not have an impact on Indigenous Peoples.</p>

¹ <https://documents.worldbank.org/curated/en/200651583931675434/pdf/Environmental-and-Social-Management-Framework-ESMF-Accelerating-Renewable-Energy-Integration-and-Sustainable-Energy-P172788.pdf>
<https://documents.worldbank.org/en/publication/documents-reports/documentdetail/803981583931671213/environmental-and-social-commitment-plan-escp-accelerating-renewable-energy-integration-and-sustainable-energy-p172788>
<https://documents.worldbank.org/en/publication/documents-reports/documentdetail/536951583931668849/stakeholder-engagement-plan-sep-accelerating-renewable-energy-integration-and-sustainable-energy-p172788>
<https://documents.worldbank.org/en/publication/documents-reports/documentdetail/671341583931666060/labor-management-procedures-accelerating-renewable-energy-integration-and-sustainable-energy-p172788>

² <https://www.environment.gov.mv/v2/wp-content/files/2020/downloads/20200311-pub-environmental-and-social-management-framework-arise-project.pdf>

	Environmental risks associated with the solar energy generation system investments include future decommissioning of the solar energy systems at the end of their lifetime, and the grid upgrade works. However, these are expected to be localized in nature and arise only during construction with localized impacts such as dust/noise pollution and waste generation, as well as issues related to worker health and safety. There is also the need to manage any toxic wastes from the use of batteries during the operational stage of the project.						
Cost and Financing Plan	<u>Cost and Financing Plan (USD millions)</u>						
	Item	Financing (USD million and %)					
		AiIB	IDA	CTF	Private Sector	TOTAL	%
	Baseline Costs						
	Component 1*		6.2	4.0	45	55.2	51.4
	Component 2			23.0		23.0	21.4
	Component 3	20.0	6.2			26.2	24.4
	Component 4			3.0		3.0	2.8
Total	20.0	12.4	30.0	45	107.4	100	
* For Component 1, MIGA Guarantee of USD 40 million will be provided to IPPs.							
Borrower	Republic of Maldives						
Implementing Entity	Ministry of Environment, Maldives						
Estimated date of loan closing	06/2026						
Contact Points:	AiIB	World Bank	Borrower	Implementing Entity			
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Date of Concept Decision	May 19, 2020
Date of Appraisal Decision	October 13, 2020
Date of Financing Approval	February 25, 2021
Independent Accountability Mechanism	<p>Pursuant to AIIB's agreement with WB, the WB's ESF will apply to this Project instead of AIIB's ESP. The WB's corporate Grievance Redress Service (GRS) and its Independent Accountability Mechanism, the Inspection Panel, which reviews the WB's compliance with its policies and procedures, will handle complaints relating to ES issues that may arise under the Project. In accordance with AIIB's Policy on the Project affected People's Mechanism (PPM), submissions to the PPM under this Project will not be eligible for consideration by the PPM. Information on WB's corporate GRS is available at http://www.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service. Information on WB's Inspection Panel is available at http://www.inspectionpanel.org.</p>