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| Host Country: | Tanzania |
| Name of Borrower(s): | NextGen Solawazi Limited |
| Project Description: | Development, construction, and operation of a 5MW photovoltaic solar generation plant in rural Tanzania. |
| Proposed OPIC Loan: | A loan facility in a principal amount not to exceed \$9,740,000 |
| Total Project Costs: | \$13,000,000 |
| U.S. Sponsor: | Mayank Bhargava and Anil Nanji |
| Foreign Sponsor: | Feroz Kassam |
| Policy Review | |
| U.S. Economic Impact: | The project is not expected to have a negative impact on the U.S. economy or employment. The project is expected to procure equipment from the U.S. which will have a positive impact on U.S. employment. The project is expected to have a negative five-year U.S. balance of payments impact. |
| Developmental Effects: | This Project will have a positive developmental impact on Tanzania by providing clean solar electricity to the local grid. The Project will address power shortages in a country that has one of the lowest electrification rates in Sub-Saharan Africa. The project will supply power to the rural area of Kigoma, a region that has an electricity penetration of only 6% of its population. Through the use of solar technology, the project will reduce carbon-emissions by replacing costly and polluting diesel power generation. In addition, the project will train local engineers and intends to employ recent engineering graduates from a local university in the operations and maintenance of the solar photovoltaic plant. |
| Environment: | <p>Screening: This Project has been reviewed against OPIC’s categorical prohibitions and determined to be categorically eligible. Small-scale renewable power generation facilities are screened as Category B under OPIC’s environmental and social guidelines because impacts are site specific and readily mitigated. The major environmental and social issues associated with photovoltaic projects are land use issues, potential disturbance of sensitive ecological species through habitat alteration, visual impacts and the disposal of panels at the end of their useful life.</p> <p>Applicable Standards: OPIC’s environmental and social due diligence indicates that the Project will have impacts that must be managed in a manner consistent with the following Performance Standards:</p> <p>PS1: Social and Environmental Assessment and Management Systems; PS2: Labor and Working Conditions; PS3: Pollution Prevention and Abatement;</p> |

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| | <p>PS4: Community Health, Safety and Security;</p> <p>In addition to the Performance Standards listed above, the IFC’s April 30, 2007 Environmental, Health, and Safety General Guidelines are applicable to this facility as are all environmental, health and safety regulations of Tanzania.</p> <p>The Project does not require any land acquisition (because it is being leased) nor is there any economic or physical displacement. There are also no cultural sites that will be impacted by the Project. Additionally, as the Project involves construction on an already disturbed site in a specially designated economic zone, there are no impacts to biodiversity. Therefore, PS’s 5, 6, 7, and 8 are not triggered by the Project at this time.</p> <p>Environmental and Social Risks: This Project will be located in an area specified by the government as a Special Economic Zone. The land has been previously disturbed and there is no native vegetation remaining on site. Potable water and solid waste removal service will be supplied by the municipality. A septic system will be installed on site to handle sanitary wastes. Air emissions are restricted to dust during construction. Decommissioning of the panels will be the responsibility of the panel supplier. The Borrower has provided an Environmental and Social policy and has conducted meetings with community representatives.</p> <p>Risk Mitigation: The Project will be required to provide OPIC with a grievance mechanism and environmental management plan.</p> <p>GHG’s emitted < 1,000 tons CO2e GHG’s avoided 9,000 tons</p> |
| Workers Rights: | <p>OPIC’s statutorily required standard worker rights language will be supplemented with provisions concerning the rights of association, organization and collective bargaining, minimum age for employment, hours of work, the timely payment of wages and hazardous work situations. Standard and supplemental contract language will be applied to all workers of the Project. The Project will be required to operate in a manner consistent with the International Finance Corporation’s Performance Standard 2 on Labor and Working Conditions.</p> |
| Human Rights: | <p>OPIC issued a human rights clearance for this Project on June 20, 2013.</p> |