

Project Disclosure Summary

Project name:	Project Blue 1
Country:	Albania
Sector:	Renewable energy generation (Solar PV)
Partner Institution:	SPV Blue 1 sh.p.k. (LLC)
GGF investment:	EUR 28.0 million
Signed:	February 2023
E&S Category:	Category B (+)
Project summary:	<p>The project consists of GGF financing for SPV Blue 1 in Albania. The 28.0-million-euro senior secured loan funds a portion of the costs needed for the construction and operations of a 50MW solar plant in Topoje, Fier County, Albania.</p> <p>The loan covers up to 75% of the project costs which once constructed, will make the project the largest non-subsidized solar project in the Western Balkan Region. The solar PV plant will help to mitigate climate change, reduce the country's dependency on hydropower and enhance Albania's energy security. The project is particularly important in the context of the energy crisis and regional supply-demand imbalance.</p> <p>SPV Blue 1 was also supported by GGF's Technical Assistance Facility, which supported the project in adhering to best international practices from an environmental, social, and technical perspective.</p>
E&S summary:	<p>An Environmental and Impact Assessment (EIA) was completed for the project in 2020 in accordance with Albanian law. An environmental permit was issued in February 2021. The Fund's Advisor commissioned an independent third-party consultant to act as the Lender's E&S Advisor and to conduct the Environmental and Social Due Diligence (ESDD). The ESDD consisted of assessing the project's documentation and existing management plans against the IFC Environmental and Social Performance Standards and applicable national legislation.</p> <p>Due diligence was also undertaken in relation to human rights risks in the solar PV supply chain. The Sponsors were required to update the Environmental and Social Management Plans and carry out supplementary E&S studies to align the project with international standards.</p> <p>The work undertaken to date demonstrates that the project meets the IFC Performance Standards, World Bank Group EHS guidelines and ILO fundamental conventions. An Environmental and Social Action Plan was</p>



developed to address any outstanding gaps and was included in loan documentation.

Due to the project's proximity to protected areas and the presence of threatened species on the project site and surrounding areas, a critical habitat assessment was undertaken in accordance with IFC Performance Standard 6. The process confirmed that, although the project site is considered a modified habitat and significant adverse impacts on biodiversity are not expected, the site contains priority biodiversity features that qualify the project area as critical habitat. The project has therefore developed a Biodiversity Management Plan (BMP) in line with IFC PS6, including a Biodiversity Action Plan which covers actions to be taken to avoid and minimise impact to the priority biodiversity features identified and achieve net gain over the long term. The project Environmental and Social Action Plan includes requirements to monitor the critical habitat features and implement the adaptive mitigation measures outlined in the BMP.

The project will not lead to any physical displacement of communities and no significant economic displacement has occurred. The project site and adjacent land was previously used for informal grazing and firewood collection, but due diligence results indicate that impacts to livelihoods are minimal. The project has in place an appropriate Land Acquisition Procedure and Resettlement Action Plan in line with IFC PS5. A project grievance mechanism and a stakeholder engagement plan are in place and a Community Liaison Officer was appointed.

The project site is located in the Seman flood plain, an area prone to flooding. An in-depth hydrological assessment, including detailed flood modelling was undertaken for the project. Due diligence demonstrated that the project has included design and drainage measures that together with existing local flood protection measures, are appropriate to mitigate against a worst-case scenario flood event (1 in 100 years). A further climate change risk and vulnerability assessment is being conducted for the project.

Enhanced supply chain due diligence has been conducted for the solar components of the project. The sponsors and the solar PV manufacturer have appropriate supply chain management systems, policies and procedures in place to manage human rights risks associated with the panel supply, including clear human rights commitments and supplier codes of conduct. The panel supply contract contains representations, warranties and other protective provisions, in relation to forced labour, including the requirement to provide details on the panel components upon request. The Facility Agreement between the Fund and the project also includes similar provisions.



A supply chain map has been obtained for this project which has provided traceability to the polysilicon level.

The project company has engaged a consultant to support in managing the E&S risks of the project and to oversee the E&S performance of the contractors on the site. In addition, the Fund's E&S advisor has been retained to undertake periodic monitoring of the project during construction, commissioning, and operational phases.

External links to E&S documents: <https://www.spvblue.com/>

For further information, enquiries, or complaints: <https://www.ggf.lu/complaints>

GGF's Environmental and Social Policy is available here: [ggf.lu/publications](https://www.ggf.lu/publications)
