



Project Summary Information

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Project Name	A.P. Moller Capital Emerging Market Infrastructure Fund II
Project Number	P000721
AIIB member	Multicountry
Sector/Subsector	Multi-sector
Alignment with AIIB's thematic priorities	Green infrastructure; Connectivity and Regional Cooperation; Private Capital Mobilization
Status of Financing	Approved
Objective	To contribute to the expansion of renewable energy supply and domestic and regional connectivity with carbon-neutral commitment in Africa, South and Southeast Asia.
Project Description	<p>A.P. Moller Capital (“APMC”) has launched a second fund, the A.P. Moller Capital - Emerging Markets Infrastructure Fund II (“EMIF II”), targeting USD 1.0 billion investment in transport and renewable energy sectors. APMC will continue the strategy of its first fund, the Africa Infrastructure Fund I (“AIF I”), by leveraging (i) its sector expertise within transport and energy infrastructure, and (ii) its strong regional and global relationships.</p> <p>A.P. Moller Group is one of Europe’s largest companies with USD 113 billion of consolidated assets, revenues of USD 86 billion, and over 125,000 employees globally. With the Group’s over 100 years of industrial experience particularly in ports, APMC brings a strong track record in transport.</p> <p>EMIF II targets a 50 percent capital allocation in Africa with the remaining 50 percent in South and Southeast Asia. The Project will be one of AIIB’s first equity investments targeting Africa and port terminals, thereby bringing geographical and sector diversification benefits to AIIB’s investment portfolio.</p> <p>APMC has set ambitious climate targets for EMIF II, including (i) carbon emissions neutrality (“net zero”) by 2025 and aggregate over the Fund’s life; and (ii) greenhouse gas (“GHG”) emissions reduction of at least 25 percent for transport infrastructure assets. The Project is 100 percent aligned to the Paris Agreement.</p>
Expected Results	<p>Project Objective indicators include:</p> <ul style="list-style-type: none"> Incremental flow of goods (MTEU Freight handled) for terminals, ports, warehouses (25 percent increase)

	<ul style="list-style-type: none"> • GHG emissions reduction for transport assets (25 percent) • GHG emissions avoided by replacing conventional energy with renewable energy (2,500,000 tCO_{2e} / year) • Number of people with new access to energy (2.55 million male; 2.45 million female)
Environmental and Social Category	FI
Environmental and Social Information	<p>AIIB's Environmental and Social Policy ("ESP"), including the Environmental and Social Standards ("ESSs") and Environmental and Social Exclusion List ("ESEL") is applicable to this Project. The Project is placed in Category FI given the financing structure involves the provision of funds through a financial intermediary, EMIF II, whereby AIIB delegates to APMC the decision-making on the investment of AIIB's proceeds into transportation (ports, warehousing, intermodal) and energy (renewable energy, energy transition) sectors. The environment and social ("E&S") instrument will be APMC's Environmental and Social Management System ("ESMS"), which will be enhanced to be consistent with AIIB's ESP.</p> <p>EMIF II is designed to be an article 9 fund under the EU's Sustainable Finance Disclosure Regulation ("SFDR"), conforming to the highest EU sustainability standard. APMC has established and disclosed its Responsible Investment Framework which outlined its approach on how sustainability risks are integrated into investment decision making process. The Framework is consistent with the International Finance Corporation ("IFC") Performance Standards, World Bank Group Environmental, Health, and Safety ("EHS") General Guidelines, and the United Nations ("UN") Principles for Responsible Investment ("PRI"). The Framework has been enhanced to meet the requirements of AIIB's ESP, where required (link).</p> <p>The indicative pipeline comprises of greenfield and brownfield investments in ports, renewables, warehousing & logistics and others, across Africa and Asia. These investments are expected to have medium to high E&S risks and impacts, such as marine biodiversity (for port sub-projects), occupational health & safety (all sub-projects), gender-based violence (all sub-projects), land acquisition and involuntary resettlement (if and where applicable), Indigenous Peoples (if and where applicable). Every investment will be screened to identify the relevant risks and following the assessment, appropriate mitigation measures will be formally adopted by APMC upon agreement with the Bank. The subprojects once operational are expected to contribute to the UN Sustainable Development Goal ("SDG") #7 Affordable Clean Energy, SDG # 8 Decent Work and Economic Growth, SDG # 9 Industry, Innovation and Infrastructure and SDG #13 Climate Action as part of APMC ESG corporate reporting. APMC has invested in an Egyptian cargo handling and logistics service provider in April 2023 as the fund's first investment. AIIB has assessed the adequacy of E&S due diligence conducted by APMC for that investment as fully satisfactory.</p>

	<p>APMC promotes gender diversity and inclusion. Two gender focused indicators – (i) female representation on portfolio companies' board (end target 20 percent vs. baseline 10 percent), (ii) percentage of female employees at portfolio companies (end target 30 percent vs. baseline 20 percent) – will be included in AIIB's Result Monitoring Framework as intermediate indicators and be monitored on an annual basis. In addition, all eligible subprojects will conform with the labor laws and standards of host countries and AIIB's ESP. Lastly, APMC has confirmed that all investments' EPC contract terms relating to health safety, environment and gender-based violence will be aligned with AIIB's procurement and ESP requirements.</p> <p>APMC is a formal signatory of the UN PRI. The Client has formally committed to publish on its website a summary of the enhanced ESMS – Responsible Investment Framework – and provide relevant information in compliance with the UN PRI as part of the annual ESG reporting. The name, location and sectors of the investments will also be disclosed within 12 months following financial close. For each Category A investment, the draft environmental and social assessment reports and documents will be disclosed, for at least sixty (60) calendar days after the final approval of the activity as part of the Project. For all Higher Risk investments, annual E&S documentation will be disclosed during the preceding 12 months, unless such disclosure is subject to the host country's regulatory requirements, market sensitivities or consent of the sponsor. At the Fund level, APMC has published annual ESMS report which is prepared using the Joint Impact Model.</p>		
Estimated date of loan closing (SBF)/Estimated date of last disbursement (NSBF)/ Estimated Date of first disbursement (Fund)	4Q 2023		
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Date of Concept Decision	03/15/23
Date of Appraisal Decision	7/26/23
Date of Financing Approval	8/30/23

Independent Accountability Mechanism	<p>The Policy on the Project-affected People's Mechanism ("PPM") of the Bank will apply to this project. The PPM has been established by the Bank 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 ESP in situations when their concerns cannot be addressed satisfactorily through the Project-level GRM or the processes of the Bank's management. Information about the Bank's PPM is available at: How We Assist You - Project-Affected People's Mechanism (aiib.org)</p>
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