



Project Summary Information

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Project Name	Asakabank Energy Efficiency and Renewables Facility
Project Number	P000774
AIIB member	Uzbekistan
Sector/Subsector	Multi-sector
Alignment with AIIB's thematic priorities	Green infrastructure
Status of Financing	Approved
Objective	To support climate change mitigation in Uzbekistan by financing energy efficiency and renewables sub-projects, including rooftop solar, via a senior unsecured loan to Asakabank.
Project Description	The Project is a USD30 million five-year, senior unsecured loan denominated in CNY (approximately CNY215 million) to Asakabank. The proceeds from the loan will be on-lent to eligible subprojects in the fields of energy efficiency and renewables.
Expected Results	<p>The results are expected to be monitored through the following indicators:</p> <p><i>Project Objective indicators:</i></p> <ul style="list-style-type: none"> • Greenhouse gas emissions reduced (tons of CO2 equivalent per year) • Renewable energy equipment purchased (MW) <p><i>Intermediary result indicators:</i></p> <ul style="list-style-type: none"> • Number of subloans financed • Volume of subloans financed • Number of subloans financed in energy efficiency • Volume of subloans financed in energy efficiency • Number of subloans financed in renewables • Volume of subloans financed in renewables

Environmental and Social Category	FI
Environmental and Social Information	<p>Environmental Policy and Categorization. AIIB's Environmental and Social Policy (ESP) including Environmental and Social Exclusion List (ESEL) and Environmental and Social Standards (ESSs) will apply to this Project. The Project has been placed in Category FI because AIIB will provide a loan to a Financial Intermediary (FI), whereby AIIB delegates to the Borrower the decision-making on the use of AIIB's funds insofar as the subproject meets the conditions to be agreed with the client. This will include the selection, appraisal, approval and monitoring of subprojects in accordance with AIIB's ESP requirements. The E&S instrument will be the Asakabank Environmental and Social Management System (ESMS).</p> <p>Environmental and Social Management System (ESMS). Asakabank has a track record implementing other MDBs' ES requirements on trade finance and SMEs. Asakabank is expanding its ES risk management practice to cover all banking business activities. The bank has recently approved an ESMS under the guidance of EBRD, which will roll out implementation with a series of capacity-building programs supported by an external consultant. Based on the approved ESMS shared with AIIB, Asakabank will: (i) screen the proposed loans against its E&S exclusion list, (ii) assign an E&S categorization, (iii) conduct E&S appraisal, (iv) include applicable ES Action Plans (ESAPs) and covenants in loan agreements, (v) monitor E&S risks and impacts, (vi) set up a Grievance Redress Mechanism (GRM) for internal and external stakeholders, and (vii) report to lenders and investors. Subproject beneficiaries will be required to: (a) provide ES and sustainability-related information per the standard ES questionnaire, (b) implement ESAP as per the loan agreement, and (c) establish a GRM for workers and stakeholders.</p> <p>Environmental and Social Characteristics. Based on the review of the indicative pipeline and discussions with the client, AIIB proceeds will support energy efficiency equipment capex and potential small-scale renewable energy projects. All of the indicative energy efficiency loans and renewable projects have capex below USD4 million, with medium or low ES risk for supported activities. All higher-risk subprojects will be excluded from the AIIB support portfolio.</p> <p>Labor and Working Conditions. The ESMS includes requirements to identify and mitigate potential health, safety, social and environmental hazards in all Project activities that pose a risk to employees and site works. Although AIIB funding will only support energy efficiency and renewable energy equipment capex, Asakabank will assess the borrowers' Occupational Health and Safety (OHS) performance.</p> <p>Climate Change and Paris Alignment. Based on the preliminary pipeline, the proposed renewable and energy efficiency subprojects are automatically considered Paris Aligned under BB1 (mitigation) as they deliver climate mitigation goals.</p>

	<p>Furthermore, the proceeds will be used for purchasing equipment and will be of small size, thus they are considered as having low physical climate risk exposure, being spread across multiple locations through a diversified set of clients. Therefore, all subprojects are considered Paris-aligned for BB2 (adaptation). The project team has discussed with Asakabank eligibility criteria for energy efficiency projects to meet EE improvement of more than 15%. Based on that, 100 percent of the preliminary pipeline will qualify as climate mitigation finance.</p> <p>Information Disclosure and Grievance Redress Mechanism (GRM). Asakabank will be required to disclose an overview of its ESMS and ES policy per AIIB ESP requirements prior to signing. The ESMS will provide good guidance for sub-borrowers to establish their GRMs as subproject level GRMs. Asakabank is in the process of establishing its GRM for receiving and addressing grievances to enable all stakeholders to have the right access, which will be disclosed to the public before disbursement. The GRM will provide information on AIIB's Project-Affected People's Mechanism (PPM) as described below.</p> <p>Monitoring and Supervision Arrangements. Asakabank will rely on information provided directly by the sub-borrowers to conduct Environmental and Social Due Diligence (ESDD) and monitoring of subprojects. Asakabank will maintain a comprehensive database comprising all relevant E&S information and report to AIIB a summary of the E&S aspects and an overview of the E&S performance of the Project's portfolio annually and on an agreed format. AIIB will conduct post-reviews of the selection and implementation of sub-projects as part of its regular supervision, comprising engagement with Asakabank, potential site visits and a detailed review of the E&S documentation of selected sub-projects.</p>	
Cost and Financing Plan	USD 30 million equivalent in CNY senior unsecured loan	
Borrower	Joint Stock Company (JSC) Asakabank	
Estimated date of last disbursement (NSBF)	December 2024	
Contact Points:	AIIB	Borrower
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Date of Concept Decision	February 8, 2023
Date of Final Decision	March 7, 2024
Date of Financing Approval	May 15, 2024

Independent Accountability Mechanism	The Project-affected People's Mechanism (PPM) has been established by the AIIB 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 Environmental and Social Policy in situations when their concerns cannot be addressed satisfactorily through Project-level GRM or AIIB Management's processes. For information on how to make submissions to the PPM, please visit How We Assist You - Project-Affected People's Mechanism (aiib.org)
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