



Project Summary Information

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Project Name	Catalyst MENA Climate Fund 2 (“CMCF2”)
Project Number	P000621
AIIB member	Multicountry
Sector/Subsector	Multi-sector
Alignment with AIIB's thematic priorities	Green infrastructure; Connectivity and Regional Cooperation; Technology-enabled Infrastructure; Private Capital Mobilization
Status of Financing	Proposed
Objective	The project aims to promote low carbon solutions and climate adaptation in selected AIIB members in MENA, to mobilize private capital for infrastructure by catalyzing other DFI and commercial investors into the Fund, and to develop the fund management sector in the region.
Project Description	Catalyst Investment Management is launching Catalyst MENA Climate Fund 2 (“CMCF2”) with focus on climate mitigation and climate adaptation investment strategy. CMCF2 will target Middle East and Northern Africa (MENA) region, primarily Egypt, Jordan and Tunisia.
Expected Results	It is expected that the result will be measured by: <ul style="list-style-type: none"> (i) Renewable generation capacity installed; (ii) Greenhouse gas emission reduction, tons of CO2 equivalent per year on average; (iii) Total electricity storage capacity financed, MW/MWh; (iv) Electric grid infrastructure made resilient to extreme weather events, percentage (v) Additional water volume from desalinization. (vi) Number of investments into renewable energy facilities. (vii) Percentage share of investments into climate adaptation projects.

	<ul style="list-style-type: none"> (viii) Mobilized private capital. (ix) Number of permanent jobs created during operation. (x) % of female employee within the project companies and related entities (excluding contractors).
Environmental and Social Category	FI
Environmental and Social Information	<p>AIIB's Environmental and Social Policy (ESP) is applicable to the Project, which has been assigned Category FI since it involves the provision of funds to CMCF2. An Environmental, Social and Governance Framework (ESGF) has been prepared in congruence with AIIB's Environmental and Social Framework (ESF), including Environmental and Social Standards (ESSs) and the Environmental and Social Exclusion List (ESEL).</p> <p>After conducting prior review of the initial investments, the Bank will delegate to the Fund the selection, appraisal, approval and monitoring of the Fund's further investments in subprojects, in accordance with investment guidelines to be agreed with the Fund, in line with the ESGF and AIIB's ESP including ESSs and ESEL. The Fund's approximate pipeline has been mutually agreed and is aligned with the Bank's sector strategies. Coal mining, coal transportation or coal-fired power plants as well as infrastructure exclusively dedicated to support any of these activities will be excluded.</p> <p>The Fund will invest primarily in renewable energy, energy efficiency, wastewater treatment and desalination, green hydrogen and ammonia projects, which may comprise of the development of greenfield/brownfield assets, primarily in Egypt, Jordan, and Tunisia. Such projects may involve land acquisition, people resettlement, obtaining of necessary government permits, and various construction-related environmental and social safeguard issues, such as labor and working conditions.</p> <p>The project team will review all subprojects and require detailed prior review of the first three subprojects. For all Category A and higher-risk Category B subprojects, AIIB will require the Fund to furnish detailed environmental and social due diligence assessment and instruments for the Bank's prior review and approval. Regarding solar subprojects, the client (FI) will review potential supply chain issue related labor and working conditions and require appropriate mitigating measures and seek AIIB's advice if required.</p> <p>The Fund discloses a summary of its ESGF on its website: http://www.catalystpe.com/index.php/about-catalyst. The Fund will be required to disclose the name, industry and location of subprojects supported with AIIB's proceeds, within twelve months from closing an investment. The Fund maintains an External Communication Mechanism (ECM) to address</p>

	<p>third-party views, enquiries or concerns regarding their own ES processes and outcomes, as well as ES impacts and performances of their subprojects: http://www.catalystpe.com/index.php/contact-us.</p> <p>In addition, the Bank will require the Fund's subprojects to maintain effective subproject-level grievance redress mechanisms (GRM), to conduct appropriate stakeholder engagement, to disclose the required ES documentation, and to provide information on established GRMs and AIIB's Project-affected People's Mechanism (PPM) to stakeholders in a form of understandable language(s) and appropriate manner.</p>	
Cost and Financing Plan	Fund commitment of 20% of fund size, capped at up to USD20 million.	
General Partner	Catalyst Climate Investment Management (Luxembourg)	
Estimated Date of first disbursement (Fund)	March 2023	
Contact Points:	AIIB	Catalyst Investment Management
Name	Zulfiqar Ali	Ennis Rimawi
Title	Principal Investment Officer	Managing Director
Email Address	zulfiqar.ali@aiib.org	ennisr@Catalystpe.com
Date of Concept Decision	25/May/22	
Date of Appraisal Decision	9/Nov/22	
Estimated Date of Financing Approval	15/Feb/22	

Independent Accountability Mechanism	<p>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 Grievance Redress Mechanisms or AIIB Management's processes.</p>
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	<p>For information on how to make submissions to the PPM, please visit insert link to the PPM web page. https://www.aiib.org/en/policies-strategies/operational-policies/policy-on-the-project-affected-mechanism.html.</p>
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