

Project Summary Information

Date of Document Preparation: November 9, 2022	
Project Name	Rakiza Fund I
Project Number	P000432
AIIB member	Multicountry
Sector/Subsector	Multi-sector
Alignment with AIIB's thematic priorities	Private Capital Mobilization
Status of Financing	Approved
Objective	To promote the development of new infrastructure and improve the efficiency of existing infrastructure assets in Oman and Saudi Arabia.
Project Description	Rakiza Fund I is an infrastructure fund jointly managed by OIM and Equitix with a focus on both brownfield and greenfield infrastructure investments in Oman and Saudi Arabia. The Fund will target assets in the following areas: telecom/digital, transportation, renewable energy, waste management, regulated utilities, social infrastructure, and logistics.
Expected Results	<p>Project result indicators include:</p> <ul style="list-style-type: none"> • Number of operational greenfield investments contributing to Oman's or Saudi Arabia's vision for economic diversification • Number of investments in consortium with strategic partners • Percentage of overall brownfield investments in which the fund implements a formal plan to achieve operational efficiencies
Environmental and Social Category	FI
Environmental and Social Information	AIIB's Environmental and Social Policy (2019 ESP), including the Environmental and Social Standards and the Environmental and Social Exclusion List (ESEL) apply to this project. The project is categorized as a Financial Intermediary operation, as the financing structure involves the investment of funds in Rakiza Fund I L.P. for onward investment in subprojects that meet eligibility criteria agreed with AIIB. This includes the selection, appraisal,

approval and monitoring of subprojects in accordance with AIIB's 2019 ESP requirements. The E&S instrument is the Fund's environmental, social and governance management system (ESGMS) that includes its Responsible Investment Policy (RIP), which is enhanced and materially consistent with AIIB's 2019 ESP, and also includes references to United Nations-supported Principles for Responsible Investment.

The future pipeline will comprise of 10 to 15 subprojects across different infrastructure sub-sectors: energy, telecom/digital, transport, health and education infrastructure. It will be a mix of greenfield and brownfield assets and located in Oman and Saudi Arabia. Every sub-project will be screened to identify the ES risks, following the assigning of ES categorization and assessment, appropriate mitigation measures will be adopted.

AIIB will conduct prior review of the first three subprojects and Higher Risk subprojects – all Category A and selected Category B subprojects to facilitate the Fund's compliance with AIIB's ESP. The Fund will (i) engage independent and qualified E&S consultants to perform review for Higher Risk subprojects and (ii) engage competent external ESG consultancy firm to carry out the ESG due diligence for higher-risk Category B subprojects. Activities excluded under AIIB's ESEL will not be eligible for financing. Sub-projects that are functionally related to coal such as coal-fired power plants, or type of transportation infrastructure (e.g., roads, railways or ports) that aim to service coal-fired power plants and coal mining will be excluded.

The RIP's enhanced ESMS will include a supply chain policy, which will advise all suppliers and contractors of the companies and projects on the importance of implementing appropriate management measures to identify and address issues related to environmental, social and governance provision in the ESG Policy including labor and working conditions and health and safety matters. Regarding solar subprojects, the Fund will review supply chain-related labor and working conditions, implement appropriate mitigating measures when necessary, and will seek AIIB's advice if required.

The Fund has disclosed the summary of the ESGMS in English and Arabic on its website, including the contact details of relevant staff. They will also publish the name, location and sections of the subprojects within 12 months following the financial close. For all Higher-Risk subprojects, the Fund will be required to disclose annual E&S documentation during the preceding 12 months, unless such disclosure is subject to the host country's regulatory requirements, market sensitivities or consent of the Sponsor. E&S documentation will be prepared in English with a summary in Arabic and English made available. It will be disclosed timely on the websites of Rakiza or the sub-investee concerned, as well as in hard copy in the subproject area. The Fund will also require its portfolio companies to disclose ESG information proportional to the E&S risks and impacts associated with their activities.

	<p>During project implementation, AIIB will require submission of project appraisal form, relevant E&S documentation, and semi-annual E&S monitoring reports from the Fund in an agreed format providing an update on the implementation of its ESGMS, and a summary of the E&S performance of each subproject. AIIB will conduct post-reviews of the selection and implementation of subprojects as part of its regular supervision, comprising engagement with the Fund, potential site visits once conditions allow and detailed review of the E&S documentation of selected sub-projects.</p> <p>Rakiza has enhanced its External Communications Mechanism (ECM) as Fund-level Grievance Redress Mechanism (GRM), including contacts and processes to receive and handle E&S related matters. In addition, Rakiza will require each sub-project to establish its GRM to receive and facilitate resolution of the concerns and complaints of people including contracted project workers who believe they may be or have been adversely impacted by the Project. The ECM and established GRMs at the subproject-level will be available and accessible by all stakeholders concerned and will provide information of the GRMs and AIIB's PPM timely in local language(s), in an appropriate manner.</p>
AIIB Commitment	USD 50 million.
Fund Manager	RAKIZA GP I LTD (Rakiza)
Estimated Date of first disbursement	Q1, 2023

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Date of Concept Decision	November 17, 2020	
Date of Appraisal Decision	September 7, 2022	
Date of Financing Approval	November 9, 2022	

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 (ECM) or AIIB Management's processes.</p> <p>For information on how to make submissions to the PPM, please visit: https://www.aiib.org/en/policies-strategies/operational-policies/policy-on-the-project-affected-mechanism.html</p>
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