



Project Summary Information

Date of Document Preparation: [July 27, 2022]	
Project Name	Alcazar Energy Partners II (“AEP-II”)
Project Number	000622
AIIB Member	Multi-country
Sector/Subsector	Energy
Alignment with AIIB's Thematic Priorities	Green infrastructure; Private Capital Mobilization
Status of Financing	Proposed
Objective	To promote the development of renewable energy in AIIB member countries.
Project Description	Alcazar Energy Partners II SL (“the Fund”) targets to invest renewable energy projects in Middle East, North Africa and Türkiye (“MENAT”) and Eastern Europe and Central Asia (“EECA”), primarily in solar and onshore wind technologies.
Expected Results	<p>It is expected that the result will be measured by:</p> <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) Number of renewable energy projects; (iv) Number of temporary jobs created during construction; (v) Number of permanent jobs created during operation; (vi) Percentage of female employees 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 AEP-II. An Environmental, Social and Governance Framework (ESGF) has been prepared that is in congruence with AIIB's Environmental and Social Framework (ESF), Environmental and Social Standards (ESS) and the Environmental and Social Exclusion List. The Bank has reviewed the ESGF to ensure that the requirements of scoping, screening, categorization, monitoring, and grievance redress is adequately met. An overview of prepared ESGF will be disclosed timely in an appropriate manner.</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 Alcazar Energy, in line with the ESGF. The Fund's approximate pipeline has been mutually agreed and is aligned with the Bank's sector strategies and geographies. AIIB will require detailed prior review of the first three subprojects, and all Category A and higher-risk Category B subprojects, to facilitate the Fund's compliance with AIIB's ESP requirements. 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 in renewable energy sub-projects, mainly solar power and wind power sub-projects in the Middle East, and North Africa and Türkiye ("MENAT") and Eastern Europe and Central Asia ("EECA"). These various environmental and social risks will be mitigated using AE's ESGF policy complemented by monitoring and supervision by AIIB. These subprojects may result in impacts relating to land acquisition or result in the physical or economic displacement of people. Operating assets may present legacy issues that will require context-specific mitigation measures. Accordingly, the Fund shall prepare an Environmental and Social Action Plan (ESAP) for each investment determining the required measures to align existing and future operations with the applicable standards.</p> <p>For potential supply chain related labor and working conditions issues in solar PV subprojects, AIIB will conduct prior E&S review and approval of relevant projects, and will take measures as appropriate, such as (i) reviewing whether subprojects have supply chain policies to address labor and working condition issues, (ii) reviewing whether the Bank has rights to information regarding labor and working conditions in the supply chain, and (iii) if following the results of E&S diligence, reviewing whether the Bank has appropriate contractual remedies to avoid/ mitigate/address such risks in subprojects.</p>

	<p>The abovementioned various environmental and social risks will be mitigated using AE's ESGF as well as prepared ESAPs complemented by monitoring and supervision by AIIB. Where applicable, AIIB will use local consultant(s) to provide supplemental monitoring and supervision given the ongoing difficulties of overseas travel. For each category A activity supported by the Fund, required ES documentation including ESIA and ESAP needs to be disclosed at least 60 calendar days prior to final approval of the activity for inclusion in the Project.</p> <p>The Fund will be required to disclose the name, industry and location of all subprojects supported with AIIB's proceeds, within twelve months from closing an investment. The Fund will be required to inform AIIB of material ESG incidents and grievances at the subproject level and prepare an annual E&S performance report for submission to AIIB. The Bank's ES Specialists will carry out field-based ES monitoring missions when conditions allow.</p> <p>The Fund has an External Communication Mechanism (ECM) to address third-party views, enquiries or concerns regarding their own ES processes and outcomes, as well as ES impacts and performances of their subprojects. In addition, AIIB will require the Fund to ensure that subproject entities conduct appropriate stakeholder engagement and disclose at subproject level and at an appropriate time the required ES documentation, in line with local regulations and AIIB's ESP. AIIB will also require the Fund to ensure that subproject entities establish and maintain subproject-level Grievance Redress Mechanisms (GRMs) and where necessary, provide information timely on subproject-level GRM and AIIB's Project-affected People's Mechanism (PPM) to the stakeholders in an appropriate manner.</p>	
Cost and Financing Plan	Fund commitment of up to USD40 million and co-investment of up to USD10 million.	
Management Company	Alcazar Energy Management Services Ltd.	
Estimated Date of First Disbursement	3Q2022	
Contact Points:	AIIB	Alcazar Energy
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Date of Concept Decision	May 4, 2022
Date of Appraisal Decision	July 27, 2022
Estimated Date of Financing Approval	3Q2022

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> <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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