



Project Summary Information

Date of Document: May 12, 2022	
Project Name	Everbright Infrastructure Investment Fund II
Document Code	PD000557
AIIB member	Multicountry
Sector/Subsector	Finance/Investment Funds
Status of Financing	Under Preparation
Project Description	CEL Infrastructure Investment Fund II (the Fund, EIIIF II) is a closed-end infrastructure investment fund domiciled in Hong Kong, China with a target size of USD600 million and a target first closing date by June 2022. The Fund seeks to acquire control or significant minority equity stakes in both greenfield and brownfield infrastructure assets. Target sectors include mainly renewable energy and waste to energy, logistics, digital infrastructure and transport infrastructure. The Fund will primarily invest in Southeast Asia including Indonesia, Malaysia, Philippines, Singapore, Thailand, and Viet Nam, with some exposure to Greater China.
Objective	To (i) enable investments into green infrastructure in emerging Asia, and (ii) pioneer the innovative sustainability-linked incentive scheme to promote climate finance, gender diversity and ESG governance in the private equity fund industry.
Expected Results	<p>Project result indicators include:</p> <ul style="list-style-type: none"> • Total amount of private capital mobilized • Percentage of investment in green infrastructure • Percentage of climate finance • Percentage of aggregated women in total workforce in all portfolio companies; or Percentage of board seats held by women in all portfolio companies • Generation capacity of renewable energy constructed by portfolio companies • Waste treatment capacity of portfolio companies
Environmental and Social Category	FI

Environmental and Social Information	<p>AIIB's Environmental and Social Policy (ESP), including the Environmental and Social Exclusion List (ESEL) and Environmental and Social Standards (ESSs), is applicable to this Project. The Project is categorized as a Financial Intermediary (FI) operation, as the financing structure involves the investment of funds in EIIIF II for onward investment in sub-projects that meet eligibility criteria to be agreed with AIIB. This will include the selection, appraisal, approval and monitoring of sub-projects in accordance with AIIB's ESP requirements. The E&S instrument will be EIIIF II's ESMS, enhanced as required to be consistent with AIIB's ESP.</p> <p>The pipeline comprises of sub-projects across three infrastructure sub-sectors: renewable energy, waste-to-energy, and telecom/digital. It will be a mix of greenfield and brownfield assets located in China, Indonesia, Vietnam and Thailand. Every sub-project will be screened to identify the risks and following the assessment, appropriate mitigation measures will be adopted. EIIIF II has been informed of potential labor and working conditions in supply chains of renewables and these subprojects will be subject to enhanced ES due diligence.</p> <p>AIIB will conduct prior review of the first three subprojects and Higher Risk subprojects – all Category A and selected Category B subprojects to facilitate EIIIF II's compliance with AIIB's E&S requirements. EIIIF II will engage independent and qualified E&S consultants for all Higher Risk subprojects. Activities included in AIIB's ESEL will not be eligible for financing. Coal mining, coal transportation and coal-fired power plants, as well as infrastructure services exclusively dedicated to support any of these activities and gas-related subprojects will also be excluded. EIIIF II will exclude any sub-project that triggers ESS 3 Indigenous Peoples.</p> <p>EIIIF II will publish on its fund website a summarized version of its enhanced ESMS. The name, location and sectors of the sub-projects, will be disclosed within 12 months following financial close. For Category A sub-projects, EIIIF II will be required to publish draft E&S documentation at least 60 days in advance, prior approval to investing. For all Higher Risk sub-projects, EIIIF II 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 written in local language(s) and at least a summarized version in English and be disclosed timely in an appropriate manner.</p> <p>During project implementation, AIIB will require submission of semi-annual E&S monitoring reports from the Fund in an agreed format providing an update on the implementation of the enhanced ESMS, and a summary</p>
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	<p>of the E&S performance of each subproject. AIIB will conduct its regular supervision including site visits and detailed review of the E&S documentation of selected sub-projects.</p> <p>AIIB is working with EIIF II to enhance its External Communications Mechanism (ECM), including contacts and processes to receive and handle E&S related matters. In addition, EIIF II will require the sub-projects to establish Grievance Redress Mechanism (GRMs) to receive and facilitate resolution of the concerns and complaints of people who believe they may be or have been adversely impacted by the Project. The ECM and established GRMs at the subproject-level will be made available to all stakeholders concerned and will provide information on AIIB's Project-Affected People's Mechanism (PPM).</p>		
AIIB Commitment	USD100 million (including co-investment of up to USD25 million)		
Fund Manager	China Everbright Investment Management Limited		
Sponsor	China Everbright Limited		
Estimated date of first disbursement	4Q 2022		
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Date of Concept Decision	January 12, 2022		
Date of Appraisal Decision	May 11, 2022		
Estimated Date of Financing Approval	2Q 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 or AIIB Management's processes.</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
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