

 Early Warning System

ADB-58144-001

APU Dairy Inclusive Value Chain Development Project



Quick Facts

Countries	Mongolia
Financial Institutions	Asian Development Bank (ADB)
Status	Approved
Bank Risk Rating	B
Voting Date	2024-10-10
Borrower	APU Dairy LLC
Sectors	Agriculture and Forestry, Industry and Trade
Investment Type(s)	Loan
Investment Amount (USD)	\$ 20.00 million
Loan Amount (USD)	\$ 20.00 million
Project Cost (USD)	\$ 40.00 million



### Project Description

As stated on the project disclosure page, the ADB is proposing a [5-7]-year loan of \$20 million in MNT to APUD to partially finance the capacity expansion of its processing and packaging lines, establishment of raw milk collection centers and working capital needs. The project will increase APUD's production capacity from 45 million liters to 71 million liters per year and double the company's raw milk collection capacity.

In 2023, APU JSC, the parent company, injected MNT27 billion (\$7.9 million) for expansion and APUD currently secured board approval to inject additional MNT25 billion or \$7.1 million.



## Early Warning System Project Analysis

The ADB categorized the project E&S risks as follows:

Environment - B

Involuntary Resettlement - C

Indigenous Peoples - C



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## Investment Description

- Asian Development Bank (ADB)

As stated in the project description, ADB will be partnering with EBRD to collectively provide \$40 million debt financing for the project.



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### Private Actors Description

As stated by the EBRD (a co-financier of the company), APU Dairy, operational since 2014, produces full range of dairy products, and is one of the leading dairy producers in the country. It's a fully owned subsidiary of APU JSC, the largest and oldest beverage producer and distributor in Mongolia.



Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
APU Group (Mongolia)	Parent Company	Industry and Trade	owns	APU Dairy LLC	Client	Agriculture and Forestry



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### Contact Information

#### ADB Team Leader:

Xiaole Wang - Senior Investment Specialist

*No contacts provided at the time of disclosure.*

### ACCESS TO INFORMATION

You can submit an information request for project information at: <https://www.adb.org/forms/request-information-form>

ADB has a two-stage appeals process for requesters who believe that ADB has denied their request for information in violation of its Access to Information Policy. You can learn more about filing an appeal at: <https://www.adb.org/site/disclosure/appeals>

### ACCOUNTABILITY MECHANISM OF ADB

The Accountability Mechanism is an independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an Asian Development Bank-financed project. If you submit a complaint to the Accountability Mechanism, they may investigate to assess whether the Asian Development Bank is following its own policies and procedures for preventing harm to people or the environment. You can learn more about the Accountability Mechanism and how to file a complaint at: <http://www.adb.org/site/accountability-mechanism/main>.





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### Bank Documents

- [APU Dairy Inclusive Value Chain Development Project: Corporate Environmental and Social Management S](#)
- [APU Dairy Inclusive Value Chain Development Project: Preliminary Poverty and Social Analysis](#)



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### Other Related Projects

- EBRD-55290 APU Dairy
- ADB-58144-002 APU Dairy LLC: Promoting Sustainable Herd Management and Climate-Resilient Dairy Production for Herders and Herder Groups