

 Early Warning System

EBRD-55290

APU Dairy



Quick Facts

Countries	Mongolia
Financial Institutions	European Bank for Reconstruction and Development (EBRD)
Status	Approved
Bank Risk Rating	B
Voting Date	2024-07-24
Borrower	APU Dairy LLC
Sectors	Agriculture and Forestry
Investment Type(s)	Loan
Investment Amount (USD)	\$ 20.00 million
Loan Amount (USD)	\$ 20.00 million
Project Cost (USD)	\$ 53.00 million



Project Description

According to the EBRD, the project consists of the provision of a senior loan of up to US\$ 20 million in MNT equivalent (including US\$ 2 million concessional tranche funded under the High Impact Partnership on Climate Action programme by Canada) to APU Dairy to finance its dairy processing and packaging capacity expansion, construction of the new production facility, which meets high energy efficiency standards, and working capital.

The Project is in line with the EBRD country strategy for Mongolia to support non-extractive sector and strengthen competitiveness. The loan supports growth and competitiveness of the company by funding its capacity expansion investments as well as promotes the adoption of climate smart farming practices by Mongolian dairy farmers.

The transition impact is expected to derive from its contribution to green and inclusive qualities. As part of the project, the company is committed to build a new factory building meeting high energy efficiency standards, and to implement a dedicated programme to promote the adoption of climate smart practices in its Mongolian milk supply chain and increase the resilience of farmers to climate change. The project will also support human capital development in a remote region by reaching out to and equipping small-scale yak herders with new market relevant skills and technology.

As stated by the EBRD in their response to a request for information, "climate smart farming practices" include:

- enhanced feed management including balancing feed ration, the procurement high quality feed, supplementary feed provision, etc.
- improved pasture management - comprising improved grazing management, rotational grazing, establishment of cultivated pasture, etc.
- herd management enhancement for example via improved veterinary and breeding management
- enhanced farm infrastructure including provision/enhancement of animal shelter, improved feed and manure storage



Investment Description

- European Bank for Reconstruction and Development (EBRD)



Private Actors Description

As stated by the EBRD, 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



Contact Information

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ACCESS TO INFORMATION

You can request information by emailing: accessinfo@ebrd.com or by using this electronic form:

<https://www.ebrd.com/eform/information-request>

ACCOUNTABILITY MECHANISM OF EBRD

The Project Complaint Mechanism (PCM) is the independent complaint mechanism and fact-finding body for people who have been or are likely to be adversely affected by an European Bank for Reconstruction and Development (EBRD)-financed project. If you submit a complaint to the PCM, it may assess compliance with EBRD's own policies and procedures to prevent harm to the environment or communities or it may assist you in resolving the problem that led to the complaint through a dialogue with those implementing the project. Additionally, the PCM has the authority to recommend a project be suspended in the event that harm is imminent.

You can contact the PCM at: pcm@ebrd.com or you can submit a complaint online using an online form at:

http://www.ebrd.com/eform/pcm/complaint_form?language=en

You can learn more about the PCM and how to file a complaint at: <http://www.ebrd.com/work-with-us/project-finance/project-complaint-mechanism.html>



Bank Documents

- [EBRD response to RFI 16 July 24](#)



Other Related Projects

- ADB-58144-002 APU Dairy LLC: Promoting Sustainable Herd Management and Climate-Resilient Dairy Production for Herders and Herder Groups
- ADB-58144-001 APU Dairy Inclusive Value Chain Development Project