



### Project Summary Information

Date of Document Preparation: 1 November 2024

<b>Project Name</b>	BIC IV
<b>Project Number</b>	P000764
<b>AIIB member</b>	Singapore
<b>Sector/Subsector</b>	Multi-sector
<b>Alignment with AIIB's thematic priorities</b>	Private Capital Mobilization
<b>Status of Financing</b>	Approved
<b>Objective</b>	The Project seeks to advance private capital mobilization through anchoring the fourth series of IABS structured and managed by Bayfront.
<b>Project Description</b>	<p>The Project involves an USD 80 million anchor investment into Bayfront Infrastructure Management Pte. Ltd.'s (Bayfront) latest issuance of infrastructure asset backed securities (IABS). This follows AIIB's investments into Bayfront's previous IABS issuances in 2021 (<a href="#">BIC II</a>) and 2022 (<a href="#">BIC III</a>).</p> <p>Ongoing support to IABS is required to build the track record of primary issuances and liquidity in the Asian capital markets. AIIB's support will contribute to the continued development of IABS as an investable asset class, linking global institutional capital to infrastructure debt assets in the Asia-Pacific and Middle East regions.</p> <p>In addition, under its climate strategy, Bayfront will implement climate targets which are in alignment with the goals of the Paris Agreement and look to decarbonize its portfolio in future IABS issuances.</p> <p>Update on AIIB's holdings: as of 1 November 2024, AIIB only holds Class A1 - SU Notes (sustainability tranche).</p>
<b>Expected Results</b>	<p>Project indicators include the following:</p> <ul style="list-style-type: none"> <li>- Volume of new private capital mobilized</li> <li>- Total volume of private capital mobilized</li> <li>- Amount of estimated annual greenhouse gas emissions avoided</li> <li>- Reduction in Bayfront's aggregate portfolio's financed carbon emission intensity</li> </ul>

<b>Environmental and Social Category</b>	NA
<b>Environmental and Social Information</b>	<p>The Project applies the Environmental, Social and Governance (ESG) Approach to Capital Market Operations provided under the Bank's Environmental and Social Policy (2022 ESP). The relevant ESG Framework is Bayfront's E&amp;S Framework, developed under the Infrastructure Private Capital Mobilization Platform with inputs from AIIB as a minority equity investor, and is consistent with the spirit and vision of AIIB's Environmental and Social Framework (ESF).</p> <p>Bayfront has developed and maintained (1) an <a href="#">Environmental &amp; Social (E&amp;S) Framework</a> which serves as the basis for a robust E&amp;S due diligence for every loan and bond acquisition, (2) <a href="#">Climate Risk Assessment</a> which is evaluated for every loan and bond investment to identify and assess physical risk, transition risk and financed carbon emissions intensity; and (3) <a href="#">Sustainable Finance Framework</a> which provides the basis for issuance of green, social or sustainability notes. The Project involves a potential investment into an issuance of IABS, which includes a sustainability tranche. The proceeds from the sustainability tranche will be used to finance and/or refinance the purchase of assets for renewable energy, energy efficiency, affordable social infrastructure and other eligible projects.</p> <ol style="list-style-type: none"> <li>1) The E&amp;S Framework, which would apply to the entire operation, includes criteria to (i) evaluate the E&amp;S performance of each underlying asset and its key counterparties in the portfolio (including E&amp;S related reputational risks) as part of the initial red flags screening, (ii) screen against Bayfront's E&amp;S exclusion list (which is consistent with the Bank's Environmental and Social Exclusion List (ESEL)), (iii) categorization and an E&amp;S risk rating, which determines the extent of monitoring and oversight required post-acquisition, and sector specific E&amp;S risks that needs to be addressed by Sector Guides. Coal mining, coal transport and coal-fired power plants, or infrastructure services exclusively dedicated to support any of those activities are part of Bayfront's E&amp;S exclusion list.</li> <li>2) The Climate Risk Assessment framework, which would apply to the entire operation, includes criteria to evaluate each loan and bond investment using (i) a climate risk scorecard that identifies, evaluates and scores the physical risks and transition risks of each asset; and (ii) computation of financed carbon emissions intensity covering Scope 1, 2 and 3 emissions for each asset and for the entire assets under management (AUM) of Bayfront's aggregate portfolio, either using obligors' disclosure (where available)</li> </ol>

	<p>or revenue-based emission factors for different industry sub-sectors. The latter helps Bayfront to track its progress against its stated climate ambition of achieving Net Zero financed emissions for aggregate AUMs by 2050.</p> <p>3) The Sustainable Finance Framework, which would apply to the sustainability tranche of this operation, has been reviewed and a Second Party Opinion (SPO) has been provided for alignment with key International Capital Market Association (ICMA) guidelines including Green Bond Principles 2021 (with June 2022 Appendix 1), Social Bond Principles 2023 and Sustainable Bond Guidelines 2021. The initial aggregate par amount of Eligible Assets exceeds the proposed principal amount of the sustainability tranche and investment into these sustainable assets will contribute towards the advancement of the UN Sustainable Development Goals (SDGs).</p> <p>Bayfront has in place a <a href="#">grievance redress mechanism</a> (GRM) in conjunction with its parent company, Clifford Capital Holdings Group, to provide a forum for stakeholders, including project-affected people (PAPs) and project contracted workers, to raise E&amp;S concerns. Under the E&amp;S Framework, Bayfront requires and acquires loans or bonds financing projects which have established and suitable asset-level GRMs or equivalent and inform people in the project's footprint about its availability. The information of Bayfront's GRM including asset-level GRMs will be disclosed timely in an appropriate manner. The GRM will receive and facilitate resolution of the concerns and complaints of people who believe that they have been adversely affected by the asset's E&amp;S impacts.</p> <p>During project administration, AIIB may request E&amp;S performance information of the portfolio and Bayfront's climate commitments and strategy, including an update on the implementation of the E&amp;S Framework and an E&amp;S portfolio summary. All investors will receive the annual sustainability tranche post-issuance impact report including total amount of proceeds allocated to eligible assets, number of eligible assets and others. The impact reporting of the sustainability tranche will include metrics such as renewable energy generation, estimated annual GHG emissions avoided, amount of clean water supplied and other-related indicators.</p>
<b>Cost and Financing Plan</b>	Order of up to USD 80 million
<b>Issuer</b>	Bayfront Infrastructure Capital IV Pte. Ltd.
<b>Sponsor</b>	Bayfront Infrastructure Management Pte. Ltd.

<b>Estimated date of disbursement</b>	September 2023	
<b>Contact Points:</b>	<b>AIB</b>	<b>Sponsor</b>
<b>Name</b>	Torsten Albrecht	Nicholas Tan
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<b>Date of Concept Decision</b>	NA	
<b>Date of Appraisal Decision</b>	26 July 2023	
<b>Date of Financing Approval</b>	30 August 2023	

<b>Independent Accountability Mechanism</b>	In accordance with the ESG Approach to Capital Market Operations under the 2022 ESF, the <a href="#">Policy on the Project-affected People's Mechanism</a> would not apply to the project.
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