Project Summary Information

	Date of Document Preparation: 08/30/26
Project Name	India Climate Mitigation On-lending Program - National Bank for Agriculture and Rural Development
Project Number	P001213
AIIB member	India
Sector/Subsector	Multi-sector
Alignment with AIIB's thematic priorities	Green infrastructure; Private Capital Mobilization
Status of Financing	Under Preparation
Objective	To support sustainable infrastructure development in India by increasing financing for climate mitigation projects across eligible sectors.
Project Description	The Project contemplates up to USD200 million in senior debt financing to National Bank for Agriculture and Rural Development (NABARD) for on-lending to eligible sub-borrowers in India to support climate change mitigation. NABARD is a statutory development finance institution established in 1982 and wholly owned by the Government of India, with a mandate to promote sustainable and equitable agriculture and rural development. NABARD plays a central role in India's rural financial ecosystem through refinancing, direct lending, supervision of rural financial institutions and implementation of development programs. The institution provides financing to state governments, regional rural banks, cooperative banks, commercial banks and non-bank financial institutions, supporting sectors such as agriculture, rural infrastructure, irrigation, renewable energy, rural livelihoods and climate-resilient development.
Expected Results	**Project Objective Indicators** • GHG emissions reduced, avoided or removed (tCO_2e / Year) • Renewable Power Generation Capacity Financed (MW) **Intermediate Results Indicators**: • Number of sub-loans financed (Number) • Value of sub-loans financed (USDmn)

Environmental and Social Category	FI
Environmental and Social Information	**Applicable Policy and Categorization:** AIIB's Environmental and Social Policy (ESP) applies to this on-lending facility. The Project has been classified as Category FI because the financing structure involves the provision of funds through a Financial Institution (FI), whereby AIIB delegates to NABARD the responsibility for allocating AIIB's funds to eligible subprojects that meet the agreed-upon conditions. This includes the selection, appraisal, approval, and monitoring of sub-projects, as well as the oversight of sub-borrowers and sub-projects, in compliance with ESP requirements. The Project excludes all Category A projects, and the Project will also exclude coal mining and transportation, coal-fired power plants and infrastructure exclusively dedicated to supporting any of these activities. **Environmental and Social Instruments:** NABARD's Environmental and Social Policy (NABARD's ESP) establishes an institutional framework for identifying, assessing, managing, monitoring and reporting on environmental, social, health and safety risks in its internal operations and in financed projects and programs, which will be the Environmental and Social Management System (ESMS) for this Project. The NABARD's ESP references IFC Performance Standards. The Policy also requires stakeholder engagement, consultation, grievance redressal, disclosure of relevant environmental and social (ES) documents and incident reporting. The projects financed are subject to periodic ES monitoring, including site visits and engagement with affected communities, with corrective actions monitored to closure. NABARD is in the process of updating its ESP, with the revised policy expected to be submitted for Board approval by Q4 2026. ES responsibilities are distributed across NABARD's institutional structure, project-level implementation arrangements, and independent third-party support. **Environmental and Social Aspects:** The climate mitigation projects, including investments in renewable energy (RE) and low carbon/sustainable transport are expected to generate significant ES benefits, such as reduced emissions, while also presenting potentially adverse environmental and social impacts. During the construction of RE infrastructure, adverse impacts may include noise and dust generation, traffic disruption, sedimentation of waterways, impacts on biodiversity, community health and safety issues, labor and occupational health and safety issues and waste generation. ES risks will be addressed through NABARD's ESMS, which establishes procedures for screening and categorization, ES risk assessment and due diligence, including assessment of supply chain risks where applicable, risk management, and mitigation and monitoring. Compliance of sub-projects with ES requirements will be promoted through the application of NABARD's ESP and AIIB's prior review of the first three selected Category B sub-loans. In addition, NABARD is governed by the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH Act) and has formed an Internal Committee to address sexual harassment complaints. NABARD has prior experience with international financial institutions and experience in the sectors proposed for AIIB financing.

	Occupational Health and Safety, Labor and Employment Conditions: Labor, employment, and health and safety risks may arise during the construction and operation of subprojects. Key issues include potential labor risks in the supply chains for renewable energy investments, as well as worker exposure to unsafe conditions and hazardous materials during the construction and operation of infrastructure. NABARD and its clients are required to comply with applicable national labor and occupational health and safety laws. For potential supply chain-related labor working condition (LWC) issues, NABARD, as a part of its due diligence, will assess the LWC risks and require its sub-borrower to obtain appropriate representations and warranties regarding supply chain-related LWCs from its suppliers and contractors. Further, NABARD also reviews and assesses contractual requirements addressing health, safety, and LWCs in subprojects. **Information Disclosure and Project Grievance Redress Mechanism (GRM):** NABARD will disclose an overview of ESMS and environmental and social documentation for selected Category B sub-projects financed under the facility by the end of each 12-month period. At the institutional level, NABARD's Stakeholder Engagement provides for two-way communication to address issues of stakeholders or stakeholder groups that may be positively or adversely affected by NABARD's operations. At the project level, stakeholder engagement is undertaken in a manner proportionate to the nature and scale of the ES risks and impacts of individual subprojects. NABARD's external GRM[1] comprises multiple channels for submission of grievances, including a dedicated web portal[2], and centralized public grievance redress and monitoring system. NABARD also has a Whistle Blower Policy[3] for staff members to report to the management concerns about unethical behavior or violation of the Code of Conduct. The information about the established GRM and AIIB's Project-affected People's Mechanism (PPM) will be disclosed in an appropriate manner. **Monitoring and Supervision Arrangements:** AIIB will conduct prior ES review of the first three sub-loans and all selected Category B subprojects to confirm the application of the agreed ES screening, categorization and due diligence procedures and will thereafter supervise NABARD's application of its ESMS on a risk-based basis. Periodic ES performance reports will be submitted to AIIB in an agreed format. AIIB's ES monitoring may include site visits to selected subprojects, in consultation with and, where appropriate, jointly with NABARD.

[1] https://www.nabard.org/grievanceform.aspx?csrt=8122724479822296899
[2] https://www.nabard.org/grievanceform.aspx
[3] https://www.nabard.org/auth/writereaddata/tender/2804233651word-whistle-blower-policy.pdf?csrt=8122724479822296899

Cost and Financing Plan	A senior unsecured loan of USD200 million.		
Borrower	National Bank for Agriculture and Rural Development		
Estimated Date of disbursement	December 2026		
Contact Points:	**AIIB**		**NABARD**
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Date of Single Review Decision	August 31, 2026		
Estimated Date of Financing Approval	September 26, 2026		

Independent Accountability Mechanism	AIIB's Project-affected People's Mechanism (PPM) applies to the project. The 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 ESP in situations when their concerns cannot be addressed satisfactorily through project-level GRM or the processes of AIIB's management. For information on how to make submissions to the PPM, please visit: https://www.aiib.org/en/about-aiib/who-we-are/project-affected-peoples-mechanism/how-we-assist-you/index.html