Project Summary Information

	Date of Document Preparation: 11/6/26
Project Name	India Climate Mitigation On-lending Program - National Bank for Financing Infrastructure and Development
Project Number	P001216
AIIB member	India
Sector/Subsector	Multi-sector
Alignment with AIIB's thematic priorities	Green infrastructure; Private Capital Mobilization
Status of Financing	Approved
Objective	To support India's transition to a low-carbon economy by increasing the availability of financing for climate mitigation investments.
Project Description	The Project contemplates up to USD300 million in senior debt financing to the National Bank for Financing Infrastructure and Development (NABFID) for on-lending to eligible sub-borrowers in India to support climate change mitigation. NABFID is a statutory development finance institution established in 2021 under the National Bank for Financing Infrastructure and Development Act, mandated to support the development of long-term non-recourse infrastructure financing in India. The institution provides financing to public and private infrastructure projects, public sector undertakings, and financial intermediaries, supporting vital sectors such as energy, transport, water and sanitation, and social infrastructure.
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), including Environmental and Social Exclusion List (ESEL) and Environmental and Social Standards (ESS), apply to this loan. The Project has been classified as Category FI because the financing structure involves the provision of funds through a Financial Institution. Under this arrangement, AIIB will delegate to NABFID 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 subprojects, as well as the oversight of sub-borrowers and subprojects, in compliance with AIIB's ESP requirements. Category A subprojects and hydropower subprojects are excluded. **Environmental and Social Instruments:** NABFID's Environmental and Social Policy requires all projects undertaken using the Institution's financing to comply with applicable Indian environmental and social (ES) regulations throughout the lifecycle of the projects and requires clients to put in place systems and procedures to assess and mitigate project ES risks. NABFID's ES Policy is operationalized via its Environmental and Social Management System (ESMS), which applies to all financing operations and is commensurate with NABFID's investment operations. The ESMS comprises procedures, templates and tools for ES risk identification, management and monitoring, which are integrated into the credit appraisal processes. NABFID is finalizing an ESMS addendum following a gap analysis of NABFID's existing ESMS. The addendum will apply to the operations financed by International Financial Institutions (IFI) and will more explicitly incorporate IFI requirements by strengthening due diligence procedures and ES reporting. The issuance of the ESMS addendum will be a condition precedent to first disbursement. **Environmental and Social Aspects:** Investments will include renewable energy, BESS and other eligible climate mitigation investments. During the construction of these projects, adverse impacts may include noise and dust generation, temporary traffic disruption, sedimentation of waterways from surface runoff where construction is within drainage catchments to waterways, impacts on biodiversity, community health and safety issues, labor and occupational health and safety (OHS) issues and waste generation. Operational risks include waste generated from renewable energy technologies and batteries and OHS risks, particularly during maintenance activities. Potential ES risks will be addressed through NABFID's ESMS. Compliance of subprojects with ES requirements will be promoted through the application of NABFID's ESMS and AIIB's prior review of the first three subprojects and all subprojects with selected Category B activities. In addition, NABFID has a Policy on Sexual Harassment of Women at the Workplace. Gender analysis of the proposed pipeline shows potential benefits for women, such as employment generation, market opportunities, and better health conditions.

	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, particularly utility scale solar, as well as worker exposure to unsafe conditions and hazardous materials during the construction and operation of infrastructure. NABFID and its clients are required to comply with applicable national labor and occupational health and safety laws. **Stakeholder Engagement, Consultation and Information Disclosure:** The Stakeholder Engagement Plan (SEP) sets out requirements and measures to engage stakeholders at both the institutional level and project or program levels. Stakeholder engagement is undertaken throughout the Project lifecycle, including during project design and in relation to mitigation and monitoring measures, the sharing of development benefits and opportunities, and implementation issues. For activities affecting Indigenous and Tribal Peoples, the consultations will comply with ESS 3 (Indigenous Peoples) requirements and other international good practices. NABFID will disclose an overview of its ESMS and ESMS Addendum. Additionally, NABFID will be required to disclose an ES summary for selected Category B subprojects financed under the facility, at the end of each 12-month period. **Project Grievance Redress Mechanism (GRM) and Monitoring Arrangement:** NABFID's external GRM comprises multiple channels for submission of grievances, including in-person, via web form, and post and email options. The GRM involves a three-tiered approach with initial grievance handling at level 1, escalation to the Grievance Redressal Officer at level 2 and escalation to senior management at level 3. The information about the GRMs and Bank's Project-affected People's Mechanism (PPM) will be disclosed in a timely and appropriate manner. NABFID will be required to submit annual ES performance reports to AIIB based on an agreed format. AIIB's ES monitoring may include site visits to selected subprojects, in consultation with and, where appropriate, jointly with NABFID.
Cost and Financing Plan	A senior unsecured loan of USD300 million.
Borrower	National Bank for Financing Infrastructure and Development
Estimated Date of disbursement	December 2026

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Date of Single Review Decision	October 16, 2026
Date of Financing Approval	November 5, 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