Project Summary Information

	Date of Document Preparation/Updated: July 2, 2026
Project Name	Nature Finance Accelerator Program – Bank of Huzhou
Project Number	P000953
AIIB member	China
Sector/Subsector	Multi-sector
Alignment with AIIB's thematic priorities	Green infrastructure; Technology-enabled Infrastructure; Private Capital Mobilization
Status of Financing	Under Preparation
Objective	To catalyze private capital for nature finance in support of China's ecological transition and Kunming-Montreal Global Biodiversity Framework.
Project Description	The Nature Finance Accelerator Program (NFAP or "the Program") is AIIB's first standalone investment initiative dedicated to nature finance – an emerging and increasingly critical area within sustainable finance. The Program aims to scale up investments in nature infrastructure, nature conservation, and nature-based solutions. Under the Program, AIIB will work with Bank of Huzhou Co., Ltd. (BOH) and other partner banks through its on-lending facilities to support a portfolio of high-impact, nature-related subprojects aligned with the MDB Common Nature Finance Taxonomy. The subprojects will be primarily located in China's Zhejiang and Jiangsu provinces and are expected to contribute to a paradigm shift toward ecological civilization. The NFAP will also adopt a programmatic approach that combines subproject preparation with capacity building activities to mobilize private capital at scale. AIIB will provide BOH with a senior unsecured loan of up to USD100 million equivalent in CNY, earmarked for eligible subprojects in Zhejiang Province, China that quality as nature finance under the MDB Common Nature Finance Taxonomy (the "Project''). Eligible nature-related activities will involve one or more of the following: (i) restoring or conserving natural ecosystems, (ii) addressing key drivers of nature loss, or (iii) integrating nature-based solutions in infrastructure. In the Zhejiang context, priority sectors include water, sanitation and waste management, and urban development.

Expected Results	**Project Objective Indicators**: • Amount of private direct mobilization (USD million) • Hectares of land preserved and/or restored (Hectares) • Volume of water conserved and/or treated (Cubic meters) • Greenhouse gas emissions avoided and/or sequestered (tCO2e) **Intermediate Results Indicators**: • Contribution to nature finance (Percentage) • Number of nature finance subprojects supported (Number) • Subproject nature indicator tracking system established (Yes/No) • Capacity building on gender best practices completed (Yes/No)
Environmental and Social Category	FI
Environmental and Social Information	**Applicable Policy and Categorization:** AIIB's Environmental and Social Policy (ESP) applies to the Project. The Project is proposed to be assigned as Category FI as the financing involves lending to BOH to support a pipeline of nature-related subprojects in the Yangtze River Delta. Activities listed in AIIB's Environmental and Social Exclusion List, as well as Category A subprojects as defined under AIIB's ESP, will be excluded. AIIB has delegated decision-making on the use of its financing to BOH, subject to the subprojects meeting eligibility criteria to be agreed upon with BOH. **Environmental and Social (E&S) Instruments:** The primary instrument for managing E&S risks in the Project is BOH's enhanced Environmental and Social Management System (ESMS)**.** BOH has established policies and procedures under its existing ESMS and has been a signatory to the Equator Principles (EP) since July 2019. The ESMS was previously enhanced in connection with BOH's financing engagements with peer multilateral development banks. The ESMS outlines clear procedures for E&S risk screening, categorization, due diligence, mitigation, and monitoring, and is fully integrated into the BOH's credit risk appraisal and approval process. The ESMS will be further enhanced through an agreed Environmental and Social Action Plan (ESAP) with time-bound actions. BOH's enhanced ESMS will guide the E&S due diligence and follow-up monitoring to facilitate the AIIB-financed subproject's' compliance with applicable standards. The MDB Common Nature Finance Taxonomy will guide subproject classification, verification, and monitoring. BOH has established dedicated E&S teams at both headquarters and branch levels. Technical assistance under NFAP will further strengthen BOH's capacity in nature finance verification, significant E&S risk screening, and monitoring of ecological and social benefits. AIIB has reviewed BOH's existing ESMS and will support its further enhancement and implementation through ESAP actions, technical assistance, and ongoing supervision, including prior review of selected higher-risk subprojects, if any.

	E&S Aspects: The Project aims to support subprojects in the Yangtze River Delta that focus on ecological restoration and nature-oriented development, including environmental conservation, natural infrastructure, sanitation, ecotourism, and resource-efficient production. While these subprojects promote sustainable development, they require careful management of E&S impacts. Indicative environmental risks may include localized land use changes, and alteration of habitats resulting from restoration or agricultural activities. BOH's enhanced ESMS incorporates requirements for managing such potential risks and impacts, including screening against exclusion criteria, screening (including biodiversity risks), requirements for higher-risk subprojects, and monitoring and oversight through reporting and site visits. Land use is expected to be secured primarily through land transfer arrangements rather than land acquisition, and relevant requirements for managing associated risks have been incorporated in the enhanced ESMS. A gender analysis has been conducted covering corporate policies and procedures and governance structure. A gender-related indicator has been included in the Results Monitoring Framework to strengthen institutional capacity and promote the integration of gender-responsive considerations across BOH's operations, including nature finance activities. Additionally, subproject specific E&S risks and impacts will be identified and assessed to develop appropriate management and mitigation measures. **Occupational Health and Safety (OHS), Labor and Employment Conditions**: BOH's existing ESMS includes requirements for assessing and monitoring of OHS risks and impacts associated with financed projects, taking into account the nature and magnitude of their E&S risks. Eligible subprojects under the Project will be required to comply with China's labor laws and standards as well as the relevant provisions of AIIB's ESP. Anticipated OHS risks and impacts of the subprojects are expected to be localized, temporary, and manageable, through appropriate subproject-level OHS management plans, proportionate to the scale and complexity of each subproject. AIIB has advised BOH on the importance of labor and working conditions, and relevant requirements will be reflected in the enhanced ESMS. **Stakeholder Engagement, Consultation and Information Disclosure**: BOH has disclosed its Annual Environmental Disclosure Reports since 2018; and its Social Responsibility Reports have been publicly available on its official website since 2015. BOH disclosed its first TNFD Report for 2025 in May 2026 and began quarterly disclosures of Carbon Emission Reduction Loan Information in 2023. As part of its sustainability approach, BOH regularly engages with stakeholders, including through, among others, its aforementioned sustainability reporting, which includes sustainability performance data. Such practice will continue during Project implementation. In accordance with AIIB's ESP requirements, BOH has disclosed an overview of its E&S policy and ESMS on its website. **Project Grievance Redress Mechanism (GRM)**: BOH has established and disclosed a GRM in Chinese on its website. It provides multiple access channels for stakeholders, including telephone, mail, complaint boxes, and in-person communication. A GRM for Project workers has been included in BOH's Human Resources policies and procedures. BOH

	will be required to ensure that subprojects establish appropriate subproject level GRMs and effectively inform local communities and Project workers about their availability, including AIIB's Project-affected People's Mechanism (PPM). **Monitoring and Reporting Arrangements:** BOH will submit annual E&S performance reports for the Project's portfolio on an agreed format and schedule. AIIB will conduct post-reviews of subproject selection and implementation, including engagement with BOH, site visits as needed, review of E&S documentation, and tracking of corrective actions and ESAP commitments as part of ongoing implementation monitoring. AIIB will undertake prior review and approval of all higher-risk Category B subprojects and the first three subprojects.			
Cost and Financing Plan	The AIIB loan facility is proposed to be up to USD100 million equivalent in CNY, with BOH expected to provide counterpart funding commensurate with AIIB's financing.			
Borrower/Investee Company/Counterparty/Guaranteed entity	Bank of Huzhou Co., Ltd			
Estimated date of last disbursement	2026 Q4			
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Date of Concept Decision	February 18, 2025			
Date of Final Decision	July 2, 2026			
Estimated Date of Financing Approval	August 2026			

Independent Accountability Mechanism	AIIB's PPM applies to this Project. The PPM has been established by 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 the ESP in situations when their concerns cannot be addressed satisfactorily through the Project-level GRM or the processes of AIIB's Management. Information on AIIB's PPM is available at: https://www.aiib.org/en/about-aiib/who-we-are/project-affected-peoples-mechanism/how-we-assist-you/index.html