



### Project Summary Information

Date of Document: 06/28/24	
<b>Project Name</b>	Supporting green and blue infrastructure development and capital market in Viet Nam
<b>Project Number</b>	P000872
<b>AIIB member</b>	Viet Nam
<b>Sector/Subsector</b>	Muti-sector/multi-subsector
<b>Alignment with AIIB's thematic priorities</b>	Green infrastructure
<b>Status of Financing</b>	Approved
<b>Objective</b>	To support green and blue infrastructure development in Viet Nam using thematic capital market instruments issued under green and blue bonds framework.
<b>Project Description</b>	The proposed project envisages AIIB's subscription of USD75 million in unlisted 5-year USD-denominated green bonds and blue bonds to be issued and privately placed by Southeast Asia Commercial Joint Stock Bank in Viet Nam. Total issuance size is expected to be USD 150 million with IFC financing the remaining USD 75 million. Out of the total size of USD150 million, the expected composition is USD100 million Green Bond and USD50 million Blue Bond. Both the green and blue bonds will adhere to the International Capital Market Association's Green Bond Principles and IFC's Blue Finance Guidelines respectively.
<b>Expected Results</b>	<p>The expected results will be monitored via the following indicators:</p> <p>Project Objective Indicators</p> <ol style="list-style-type: none"> <li>1. Renewable energy capacity installed (MW).</li> </ol> <p>Intermediate Indicators</p> <ol style="list-style-type: none"> <li>2. Number of green sub-projects financed.</li> <li>3. Outstanding amount of green sub-projects financed (USD million).</li> <li>4. Number of blue sub-projects financed.</li> <li>5. Outstanding amount of blue sub-projects financed (USD million).</li> </ol>

<b>Environmental and Social Category</b>	FI
<b>Environmental and Social Information</b>	<p><b>Environmental and Social Policy and Categorization.</b> The Project is co-financed with the International Finance Corporation (IFC), and the Project's environmental and social (E&amp;S) risks and impacts are assessed in accordance with IFC's Policy on Environmental and Social Sustainability Policy (PESS), and its Performance Standards and Exclusion List (EL). For a harmonized approach to addressing the E&amp;S risks and impacts of the Project, and as permitted under AIIB's Environmental and Social Policy (ESP), IFC's PESS and EL are applicable to the Project in lieu of AIIB's ESP. AIIB has reviewed the IFC's PESS and EL and is satisfied that: (a) they are consistent with AIIB's Articles of Agreement and materially consistent with the provisions of AIIB's ESP, including AIIB's Environmental and Social Exclusion List; and (b) the monitoring procedures that are in place are appropriate for the Project. The Project has been categorized as FI in accordance with IFC's PESS, and this is equivalent to Category FI, if AIIB's ESP were applicable. Further, the Project complies with the ICMA's Green Bond Principles and IFC's Blue Finance Guidance.</p> <p><b>Environmental and Social Management System (ESMS).</b> Supported by IFC, SeABank has already developed an ESMS, the implementation of which is guided by international good practices, including IFC's PSs and IFC's Environmental, Safety and Health (EHS) Guidelines as well as IFC's sector-specific Guidelines. The ESMS has adequate provisions for the assessment of both new greenfield investment opportunities as well as refinancing of brownfield ones. The IFC's E&amp;S Action Plan (ESAP) agreed for implementation with SeABank encompasses provisions for (i) developing and incorporating an E&amp;S screening procedure into the existing ESMS for the green and blue bonds in order to screen out transactions with high E&amp;S risks contemplated by the IFC Performance Standards, and (ii) providing training on high-risk screening procedure for the staff involved in implementation of the procedure. The sub-projects for AIIB's consideration will be screened (as per AIIB's eligibility criteria) by SeABank's investment team prior to SeABank's E&amp;S team involvement for assessing E&amp;S risks of those sub-projects.</p> <p><b>Environmental and Social Aspects:</b> E&amp;S risks and impacts are related to small to mid-size energy efficiency and renewable energy projects based on the initial pipeline and agreed sectors. E&amp;S risks associated with the construction and operation of these investments are related to air, water and noise pollution, health and safety during construction and operation, labour and working conditions, and waste management. Blue-labelled activities may trigger some biodiversity risks. The Bank will exclude Category A subprojects and Blue labelled activities related to fisheries, seafood, and aquaculture in order to limit the biodiversity risk exposure of the Project. Further, land acquisition, stakeholder engagement, information disclosure, and grievance redressal will be implemented as per SeABank's ESMS. Any land procurement shall follow market</p>

practice and willing seller - willing buyer principle. Activities that result in any form of involuntary resettlement shall be excluded under the Project. Investments that might expose SeABank and bond investors to reputational risks or where SeABank assesses that E&S risks are not sufficiently mitigated will be excluded from the Bank's consideration.

**Gender.** The existing corporate policies adopted by the SeABank include provisions for equal opportunity, non-discrimination, and application of gender sensitive approach in both internal operations as well as underlying investments (through ESMS). SeABank implements gender-sensitive practices, which include induction training on gender inclusion for staff or contractors, training on Prevention of Sexual Harassment (POSH), unconscious bias and prevention from any form of discrimination, including gender identity, race, ethnicity or confession. SeABank monitors gender balance among its workforce, particularly at the mid-high management level, and strives for gender-balanced management representation. HR policies include gender-sensitive provisions for internal grievances. AIIB notes the adequacy of gender related policies, processes and broader awareness by the Issuer.

**Labour and Working Conditions.** SeABank's ESMS has dedicated policies such as Labour Regulation for own staff and dedicated guidelines for screening and assessing investments against Labour and Working Conditions (LWC) related requirements. The dedicated guidelines have been developed in compliance with the national labour code and IFC PS2. IFC is currently providing advisory support related to supply chain management and financing opportunities. The guidelines encompass provisions preventing investments in projects using any form of labour and working conditions. Those requirements are also applicable to contractors and direct suppliers of utility-scale Solar PV investments. Evidence and representations from direct suppliers are required to document compliance with the LWC requirements.

**Paris Agreement Alignment (PAA) and Climate Finance.** The Project has a defined set of criteria for the use of proceeds and is determined to be Paris-aligned on mitigation objectives following a review of the expected use of proceeds. There is a low risk of misalignment based on compliance with the ICMA's Green Bond Principles and IFC's Blue Finance Guidelines. The Project is also considered aligned with the adaptation objectives of the Paris Agreement using a counterparty-based approach as the Issuer has a diversified portfolio with no one sector/sub-sector having significant climate risk exposure. Furthermore, the corporate ESMS includes considerations for assessing exposure and mitigating physical climate change risks.

**Stakeholder Engagement and Information Disclosure.** SeABank discloses a summary of stakeholder engagements, including related communities, through annual reports and publishes on its website. Where applicable and in line with IFC PSs and national regulations, SeABank will require that all sub-projects disclose E&S information and conduct stakeholder engagement during the sub-loan tenure. SeABank will include such requirements as covenants and/or disbursement conditions in sub-loan agreements. In addition, a summary of the ESMS prepared for the Project will be disclosed by SeABank and AIIB within 6 months after subscription and upon updating the corporate ESMS with agreed provisions.

	<p><b>Monitoring and Supervision Arrangements.</b> SeABank will be required to maintain a comprehensive database comprising all relevant E&amp;S information and report to AIIB a summary of the E&amp;S aspects and an overview of the E&amp;S performance of the Project's portfolio annually. AIIB will have the right to conduct post-reviews of the selection and implementation of sub-projects as part of its regular supervision.</p> <p><b>Project Grievance Redress Mechanism (GRM).</b> SeABank has established an External Communication and Grievance Mechanism (the "ECM") that includes a corporate GRM to receive and address environmental and social grievances related to both SeABank employees as well as from SeABank's projects/customers. The ECM has been published on SeABank's website. As per SeABank ESMS, sponsors of any higher-risk subprojects are required to develop and operationalize respective subproject level GRMs in line with the IFC's PSs. Subprojects of lower E&amp;S risks (such as Category C and Lower B) will rely on the corporate-level GRM (ECM) set up by SeABank. The Issuer's ESDD process, defined in the ESMS, will check whether eligible sub-borrowers (excluding retail) have a mechanism, procedure, or process to receive and resolve grievances of Project-affected people. The grievance mechanism for lower-risk subprojects (excluding retail) may utilize existing formal or informal mechanisms if they are functioning and fit for the purpose of the sub-project's operations. The information of those GRMs and the Project-affected Peoples Mechanism (PPM) of AIIB will be timely disclosed in an appropriate manner.</p>	
<b>Cost and Financing Plan</b>	Total issuance size of USD150 million. AIIB to financing USD75 million.	
<b>Issuer</b>	Southeast Asia Commercial Joint Stock Bank (SeABank)	
<b>Estimated date of disbursement</b>	Q3 2024	
<b>Contact Points:</b>	<b>AIIB</b>	<b>Issuer</b>
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<b>Date of Concept Decision</b>	03/27/24	
<b>Date of Appraisal Decision</b>	05/17/24	

<b>Date of Financing Approval</b>	06/17/24
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<b>Independent Accountability Mechanism</b>	AIIB's Policy on the Project-affected Peoples Mechanism (PPM) will apply to AIIB investments. 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 ECM as project-level GRM or the processes of AIIB's Management. Information on AIIB's PPM is available at: <a href="https://www.aiib.org/en/about-aiib/who-we-are/project-affected-peoples-mechanism/how-we-assist-you/index.html">https://www.aiib.org/en/about-aiib/who-we-are/project-affected-peoples-mechanism/how-we-assist-you/index.html</a> .
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