



Project Summary Information

Date of Document Preparation: 14 October 2026	
Project Name	SM Climate Resilient Urban Development
Project Number	P001194
AIIB Member	Philippines
Sector / Subsector	Urban / Urban integrated development
Alignment with AIIB's Thematic Priorities	Green infrastructure; Technology-enabled Infrastructure
Status of Financing	Under Preparation
Project Objective	To support the horizontal infrastructure works of a large-scale, master-planned, sustainable, smart, and climate-resilient urban development project in Metro Manila.
Project Description	AIIB is proposing a total financing of up to USD150 million to SM Smart City Infrastructure and Development Corporation (SMSCIDC or the Borrower) to support the development of a large-scale, master-planned, smart, climate-resilient urban development project spread over 360 hectares in Pasay City, Metro Manila, Philippines (Pasay 360, the Project). The Project is a large-scale waterfront reclamation encompassing horizontal infrastructure works and mixed-use development in Pasay City, Philippines. It is designed to promote sustainable urban development through the creation of fully serviced, developable land that supports long-term urban expansion, commercial activity, and catalytic investments in healthcare, education, hospitality, and other sectors. The Project is being developed by SM Prime Holdings, Inc. (SM Prime or the Sponsor), a leading integrated property developer in the Philippines, through its subsidiary, SMSCIDC. The Project is being developed under a public-private partnership model among the Pasay City Local Government Unit, the Philippine Reclamation Authority and SM Prime. Upon completion, 183.6 hectares of the Project's approximately 360 hectares of developed land will be transferred to the government partners at no cost.

	AIIB's financing will be limited exclusively to eligible horizontal infrastructure works within the broader Project, comprising (a) revetment works, (b) bridges, (c) roads, (d) utilities, (e) landscape, including the central park, (f) smart-city provisions, and (g) project-related preliminaries working capital, and estate development provisions.
Expected Results	Expected results may include the development of climate-resilient urban land, the allocation of land for public infrastructure and services, the implementation of water-recycling initiatives, and the expansion of green spaces within Pasay 360.
Environmental and Social Category	A
Environmental and Social Information	Applicable Policy and Categorization. AIIB's Environmental and Social Policy (ESP), ESS 1 (Environmental and Social Assessment and Management), ESS 2 (Involuntary Resettlement), and the Environmental and Social Exclusion List (ESEL) apply to the Project. The Project is located within a reclaimed area in Manila Bay, and it is subject to longstanding cumulative environmental pressures, from urbanization, pollution, habitat loss, and coastal development resulting in degraded water quality and ecosystem management challenges. The Project is proposed to be assigned Category A due to its scale, location within a coastal environment, and potential cumulative and indirect impacts associated with the Pasay 360 development and related broader coastal land development in Manila Bay. Environmental and Social Instruments. Environmental and social due diligence (ESDD) is undertaken to assess the AIIB-financed horizontal infrastructure works, the broader coastal land development, potential associated facilities, and cumulative environmental and social (ES) impacts. The due diligence builds on the existing national Environmental Impact Assessment (EIA) and Environmental and Social Management Plan (ESMP), an Environmental and Social Management System (ESMS) Audit and an Environmental and Social Compliance Audit/Environmental and Social Audit (ESCA/ESA). Findings from the audit and gap analysis will inform the scope of any supplementary ESIA and other targeted studies that may be required to address identified gaps to align with AIIB's ESP. Arrangements for gap-filling measures will be agreed through a consolidated Environmental and Social Action Plan (ESAP). Environmental Aspects. Although the AIIB-financed components are only limited to horizontal infrastructure works and exclude reclamation activities, the Project presents potentially substantial environmental risks due to its location within a large-scale reclaimed area and its interface with associated facilities and cumulative impacts in Manila Bay. Preliminary biodiversity screening using Integrated Biodiversity Assessment Tool (IBAT) indicates that the Project is located within a

broader biodiversity-sensitive landscape, with identified biodiversity features in the wider area of influence, including the Las Piñas – Parañaque Critical Habitat and Ecotourism Area and the Manila Bay Key Biodiversity Area. Given the Project’s location, additional risks relate to potential indirect and cumulative impacts associated with the reclaimed coastal setting, including changes to coastal hydrodynamics, sediment transport, marine water quality, biodiversity, and fisheries resources. The relevant associated facilities and activities, including marine structures, water channels, borrow areas, and dredged material disposal sites, may also contribute to the overall environmental risk profile. Further due diligence will review applicable environmental permits and compliance status, cumulative impact considerations, sufficiency of environmental baseline information, and the adequacy of proposed environmental management measures, with particular attention to the interaction between AIIB-financed horizontal infrastructure works and the broader Pasay 360 project. Other risks related to the construction and operation of urban infrastructure such as noise, dust, waste generation, traffic disruption, hazardous materials management, resource efficiency, water and wastewater management, stormwater drainage, and environmental monitoring will also be assessed.

Social and Gender Aspects. The Project is expected to have substantial social risk given the scale of the reclamation of land in the Pasay 360 project and subsequent horizontal infrastructure works and mixed-use development, the high public sensitivity surrounding reclamation in Manila Bay, and the potential for legacy, cumulative and reputational risks associated with past and ongoing reclamation works. In that case, the Bank’s due diligence should examine whether the reclamation has caused physical displacement, economic displacement, loss of access to fishing grounds or navigation corridors, disruption of livelihoods, or impacts on vulnerable groups, and whether there are legacy issues that need to be addressed. The reclaimed area where the Project is developed will be transformed into a planned mixed-use urban district comprising commercial, residential, institutional, and public spaces. For the AIIB-financed components, key social risks are expected to relate primarily to development of the horizontal infrastructure works. These include occupational health and safety (OHS), labor and working conditions, community health and safety, traffic and access management, construction-related disturbances, stakeholder engagement, and grievance mechanism. In addition, a gender and social inclusion analysis will be undertaken during the preparation, either as part of the ESIA or a stand-alone activity. A gender action plan (GAP), embedded in the ESMP or stand-alone, will be developed and implemented throughout project implementation.

Occupational Health and Safety, Labor, and Employment Conditions. The horizontal infrastructure works will involve construction of revetment works, bridges, roads, utilities, landscaping including the central park, smart-city provisions, and other enabling infrastructure, and may involve multiple contractors, subcontractors, and suppliers. The key labor risks include

	occupational health and safety, contractor management, worker accommodation if applicable, working hours, wage compliance, grievance channels for workers, and discrimination. The Borrower's contractor management system and labor management procedures will be reviewed against applicable Philippine labor legislations and AIIB requirements, including provisions relating to non-discrimination and equal opportunity, worker grievance mechanisms, and fair treatment of workers, as well as on emergency preparedness and response arrangements, traffic and access management, and security arrangements, and will require corrective actions where gaps are identified. Stakeholder Engagement, Consultation, and Information Disclosure. Stakeholder engagement and information disclosure activities undertaken to date will be reviewed, including consultations conducted during preparation of the Pasay 360 project. Further consultations will be undertaken during project preparation to obtain stakeholder feedback on environmental and social risks, impacts, and proposed mitigation measures. The ES documentation will be disclosed in accordance with AIIB requirements, and stakeholder engagement will continue during implementation through ongoing consultation, information disclosure, and accessible grievance redress mechanisms. A preliminary Stakeholder Engagement Plan (SEP) will be developed and regularly reviewed and updated, to guide public meaningful consultations during the ESDD and ESIA stage, including economically displaced groups, such as the fisherfolk. The national EIA and ESMP will be disclosed in a timely manner. Other ES instruments, including the ESMS Audit Report, ESCA/ESA Report, and consolidated ESAP, are under preparation and will be disclosed in accordance with AIIB disclosure requirements (SM Prime). Project Grievance Redress Mechanism (GRM) and Monitoring Arrangement. The Project will establish a functioning, accessible and well-publicized GRM with clear intake channels, timelines, escalation procedures, protections against retaliation, and regular reporting of grievance trends and resolution outcomes. The procedures and the whole institutional arrangement will be informed by the Corporate ESMS Audit and the ESA Audit that will be undertaken. Information on the GRM and Bank's Project-affected People's Mechanism (PPM) will be disclosed to stakeholders in an appropriate manner. Further discussions with the Borrower will confirm ES monitoring and reporting requirements during ESDD and project appraisal.
Cost and Financing Plan	AIIB is proposing a corporate unsecured loan of up to USD150 million, the proceeds of which will be used exclusively to finance the horizontal infrastructure works within the overall Project.
Borrower	SM Smart City Infrastructure and Development Corporation
Sponsor	SM Prime Holdings, Inc.

Estimated date of last disbursement	Q1 2030			
Contact Points:	AIIB	AIIB	Borrower (SMSCIDC)	Sponsor (SM Prime)
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Date of Concept Decision	September 11, 2026			
Estimated Date of Appraisal Decision	November 2026			
Estimated Date of Financing Approval	December 2026			
Independent Accountability Mechanism	The Project-affected People's Mechanism (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 Environmental and Social Policy in situations when their concerns cannot be addressed satisfactorily through Project-level Grievance Redress Mechanisms or AIIB Management's processes. For information on how to make submissions to the PPM, https://www.aiib.org/en/about-aiib/who-we-are/project-affected-peoples-mechanism/how-we-assist-you/index.html			