



### Project Summary Information

Date of Document Preparation: July 18, 2024	
<b>Project Name</b>	Project Merlion
<b>Project Number</b>	P000899
<b>AIIB member</b>	Singapore
<b>Sector/Subsector</b>	Multi-sector
<b>Alignment with AIIB's thematic priorities</b>	Private Capital Mobilization
<b>Status of Financing</b>	Approved
<b>Objective</b>	The Project seeks to advance private capital mobilization through anchoring the infrastructure asset-backed securities (IABS) issued by Bayfront Infrastructure Management (BIM) over the next 3 years and to help BIM achieve its interim climate transition goals as part of its 2050 Net Zero Ambition.
<b>Project Description</b>	<p>The Project will mobilize private capital into emerging market infrastructure through supporting the continued development of the IABS market in Asia with a focus on sustainable assets. This will be achieved through an investment of up to USD350 million (the Investment Program or Program) into issuances of Sustainability Tranches of IABS sponsored by the BIM. The Investment Program covers issuances of IABS Sustainability Tranches by BIM until end 2026.</p> <p>Prior to commitment of any investments under the program, the satisfactory review of the commercial and financial aspects of the respective IABS issuance, the proposed allocation strategy and progress on agreed interim objectives shall be confirmed. Subsequent IABS investments under the Investment Program will be at the discretion of AIIB, subject to AIIB Investment Committee and President Approval. Within the review of each of these subsequent investments, confirmatory Paris Alignment assessment and Policy Assurance will be conducted.</p> <p>Established in 2019, BIM is the first platform dedicated to the purchase, securitization, and distribution of infrastructure loans in Asia. Shareholding is held 70 percent by Clifford Capital (indirect controlling shareholder is Temasek) and 30 percent by AIIB.</p>

<b>Expected Results</b>	<p>Project indicators include the following:</p> <ul style="list-style-type: none"> <li>- Volume of private capital mobilized from new investors</li> <li>- Total volume of private capital mobilized</li> <li>- Increase in weighted average percentage of sustainable assets in BIC CLOs under the Program</li> <li>- Reduction in aggregate portfolio carbon emission intensity by end 2030</li> </ul>
<b>Environmental and Social Category</b>	NA
<b>Environmental and Social Information</b>	<p><b>Applicable Policy and Categorization:</b> The Project applies the Environmental, Social and Governance (ESG) Approach to Capital Market Operations provided under the Bank’s Environmental and Social Policy (2022 ESP). The relevant ESG Framework is Bayfront’s E&amp;S Framework, developed under the Infrastructure Private Capital Mobilization Platform with inputs from AIB as a minority equity investor, and is consistent with the spirit and vision of AIB’s Environmental and Social Framework (ESF).</p> <p><b>Environmental and Social Instruments.</b> Bayfront has developed and maintained (1) an <a href="#">Environmental &amp; Social (E&amp;S) Framework</a> which serves as the basis for a robust E&amp;S due diligence for every loan and bond acquisition, (2) <a href="#">Climate Risk Assessment</a> which is evaluated for every loan and bond investment to identify and assess physical risk, transition risk and financed carbon emissions intensity; and (3) an <a href="#">Sustainable Finance Framework (SFF)</a>, on which a second-party opinion has been provided for alignment with key International Capital Market Association guidelines, including Green Bond Principles (GBP 2021), Social Bond Principles (2023), Sustainable Bond Guidelines (2021) and ASEAN Standards for Green Bonds, Social Bonds and Sustainability Bonds. The SFF is the basis for issuance of green, social or sustainability notes. The proceeds of the sustainable tranche are used for sustainable loans that (1) meet the requirements of Bayfront’s E&amp;S Framework and (2) qualify under its SFF.</p> <p><b>Environmental and Social Characteristics.</b> The E&amp;S Framework, which would apply to the entire operation, includes criteria to (i) evaluate the E&amp;S performance of each underlying asset and its key counterparties in the portfolio (including E&amp;S related reputational risks) as part of the initial red flags screening, (ii) screen against Bayfront’s E&amp;S exclusion list (which is consistent with the Bank’s Environmental and Social Exclusion List), (iii) categorization and an E&amp;S risk rating, which determines the extent of monitoring and oversight required post-acquisition, and sector specific E&amp;S risks that needs to be addressed by Sector Guides. Any transaction with a</p>

	<p>single 'High' risk aspect would typically be excluded from consideration or require exceptional approval from the Bayfront Board of Directors. In addition, if any activities in the exclusion list are related to labor and working conditions, the loans are excluded from consideration. Coal mining, coal transport and coal-fired power plants, or infrastructure services exclusively dedicated to support any of those activities are part of Bayfront's E&amp;S exclusion list.</p> <p><b>Project Grievance Redress Mechanism.</b> Bayfront has in place a <a href="#">grievance redress mechanism</a> (GRM) in conjunction with its parent company, Clifford Capital Holdings Group, to provide a forum for stakeholders, including project-affected people (PAPs) and project contracted workers, to raise E&amp;S concerns. Under the E&amp;S Framework, Bayfront requires and acquires loans or bonds financing projects which have established and suitable asset-level GRMs or equivalent and inform people in the project's footprint about its availability. The information of Bayfront's GRM including asset-level GRMs will be disclosed timely in an appropriate manner. The GRM will receive and facilitate resolution of the concerns and complaints of people who believe that they have been adversely affected by the asset's E&amp;S impacts.</p> <p><b>Monitoring and Supervision Arrangements.</b> During project administration, AIIB will receive E&amp;S updates as part of quarterly bilateral reports from BIM in an agreed format, subject to confidentiality obligations, including an update on the implementation of the E&amp;S Framework and an E&amp;S portfolio summary. All investors will receive the annual sustainability tranche post-issuance impact report including total amount of proceeds allocated to eligible assets, number of eligible assets and others. The impact reporting of the sustainability tranche will include metrics such as renewable energy generation, estimated annual GHG emissions avoided, amount of clean water supplied and other-related indicators. It is noteworthy that Bayfront has published its first annual Task Force on Climate-related Financial Disclosures ('TCFD') report for FY 2022, which discloses its approach towards assessing and managing climate-related risks.</p>
<b>Cost and Financing Plan</b>	Cumulatively, up to USD 350 million uncommitted and non-revolving <sup>1</sup> limit to be allocated to Bayfront's issuances of IABS during the next 3 years under the Investment Program including USD 80 million anchor order placed into the BIC V issuance.
<b>Issuer</b>	Bayfront Infrastructure Capital V Pte. Ltd. as initial investment vehicle under the Investment Program

<sup>1</sup> Non-revolving here means that repayments of any investments under the program cannot be reinvested; for the avoidance of doubt, if an investment order to scaled down in order to facilitate other investors, then these unutilized amounts can be used as new orders in future issuances under the program.

<b>Sponsor</b>	Bayfront Infrastructure Management Pte. Ltd.	
<b>Estimated date of disbursement</b>	July 2024	
<b>Contact Points:</b>	<b>AIB</b>	<b>Sponsor</b>
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<b>Date of Concept Decision</b>	NA	
<b>Date of Appraisal Decision</b>	June 05, 2024	
<b>Date of Financing Approval</b>	June 27, 2024	

<b>Independent Accountability Mechanism</b>	In accordance with the ESG Approach to Capital Market Operations under the 2022 ESF, the <a href="#">Policy on the Project-affected People's Mechanism</a> would not apply to the project.
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