



### Project Summary Information

Date of Document Updating: Nov 13, 2024

<b>Project Name</b>	Infrastructure Private Capital Mobilization Platform
<b>Project Number</b>	P000274
<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, under implementation
<b>Objective</b>	To help develop infrastructure as an asset class through the creation of debt securities for sale to institutional investors.
<b>Project Description</b>	AIIB has invested in a new platform business – Bayfront Infrastructure Management Pte. Ltd. (Bayfront, or the Platform) that purchases infrastructure debts from financial institutions and distributes them to institutional investors through securitization or other formats. This supports private capital mobilization and builds infrastructure as an asset class. The purchase of such debts is predicated on the hypothesis that financial institutions that currently originate and hold such debts to maturity will increasingly be constrained from doing so with the advent of Basel III regulations.
<b>Expected Results</b>	<p><u>Direct beneficiaries:</u> Investors benefit from this project by being able to purchase securities or products previously scarce in the market. Without the establishment of the Platform, it would be difficult for investors to participate in Asian infrastructure debt as there are limited investible formats available. Institutional investors will typically not invest in loans as they are illiquid and lack transparency. Also, most project debts in Asia are not investment-grade, which is less attractive to institutional investors. Finally, banks who sell to the Platform will benefit, as they can free up their capital and potentially support more infrastructure lending. This benefit will increase over time as the new banking regulations restrict and discourage long-term lending.</p> <p><u>Indirect beneficiaries:</u> With the establishment of the Platform, the whole Asia infrastructure financing ecosystem will benefit indirectly, as the Platform provides both banks and investors an alternative method of risk management and risk-taking, respectively. Many institutional investors are keen to invest in infrastructure as an asset class as a means of diversification from general corporate credit.</p>

<b>Environmental and Social Category</b>	N/A
<b>Environmental and Social Information</b>	<p>The Project resulted in the establishment of a platform to purchase infrastructure debts from financial institutions, structure and distribute them to institutional investors through securitization or other distribution formats. In line with previous capital markets projects executed by AIIB, this platform has developed and maintains an appropriate environmental and social (“E&amp;S”) framework. A summary of the framework can be found <a href="#">here</a>.</p> <p>In place of AIIB’s Environmental and Social Policy (ESP), the project team has required the Platform to implement a robust Environmental and Social (E&amp;S) framework integrated into its due diligence process before any loan acquisition and throughout the asset management phase. This framework involves screening debts against the Environmental and Social Exclusion List and other eligibility criteria, reviewing their original E&amp;S categorization, available environmental and social assessments, monitoring documentation, and relevant loan covenants. Each debt is then assigned an E&amp;S risk rating, reflecting its original categorization, E&amp;S performance to date, and the Platform’s exposure to residual E&amp;S risks. The findings from this due diligence process are presented to the Platform’s Executive Committee or Board before any investment decision is made. The debts are thereafter monitored for their E&amp;S performance and controversies. The Platform regularly provides AIIB, its shareholder, with insights into the E&amp;S performance of the portfolio as well as the E&amp;S characteristics of the project pipeline. The E&amp;S framework has also been expanded to include not only project finance debts for single assets but also corporate debts.</p> <p>The rationale for the proposed approach is as follow:</p> <ul style="list-style-type: none"> <li>• The ESP is designed for lending to new projects and is not ‘fit for purpose’ for application to the capital markets or debt and equity security instruments.</li> <li>• Debts are mostly purchased in the secondary market, and the management of environmental and social risks is only feasible through rules based ESG framework governing the selection of debts and the underlying projects.</li> <li>• Debts to be acquired are typically backed by existing assets that are either complete or nearing completion; in this context, environmental and social risks are more effectively managed through robust ESG criteria that govern debt selection.</li> <li>• A key objective of the Project is to encourage banks to originate sustainable infrastructure projects, eligible for purchase by the Platform, through the application of robust ESG criteria.</li> <li>• By adopting an ESG framework, the Platform can offer investors greater transparency to investors on the overall ESG profile of the underlying assets, thereby helping to position sustainability as a key, value-enhancing feature of this emerging asset class.</li> </ul>

<b>Cost and Financing Plan</b>	AIIB will contribute up to USD54 million of equity capital to the Platform, with the remaining USD126 million funded by other investors and partners. Total debt financing of up to USD1.8 billion could be raised to support the Platform on the back of a Singapore Government Guarantee. The proceeds will be used mainly for funding debts and investments and support operations of the Platform.		
<b>Investee Company</b>	The platform company Bayfront has been incorporated in April 2020.		
<b>Estimated date of last disbursement (NSBF)</b>	FY2023		
<b>Contact Points</b>	<b>AIIB</b>		<b>Bayfront</b>
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<b>Date of Concept Decision</b>	January 2019		
<b>Date of Appraisal Decision</b>	June 2019		
<b>Date of Financing Approval</b>	July 22, 2019		

<b>Independent Accountability Mechanism</b>	Given the ESP exemption sought, AIIB's Project Affected People's Mechanism (PPM) would not apply to this Project since it is restricted in its application to projects governed by the ESP.
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