Project Summary Information

	Date of Document Preparation: 08/24/26
Project Name	Pakistan Sustainable and Climate Resilient Infrastructure Guarantee
Project Number	P000972
AIIB member	Pakistan
Sector/Subsector	Multi-sector
Alignment with AIIB's thematic priorities	Green Infrastructure; Technology-enabled Infrastructure; Private Capital Mobilization
Status of Financing	Approved
Objective	To support Pakistan's development of sustainable and climate-resilient infrastructure in the water, energy, and health sectors by mobilizing private capital through a Partial Debt Guarantee.
Project Description	The Government of Pakistan issued its debut privately placed three-year CNY Bond (the Bond) in China's Interbank Bond Market (CIBM) in May 2026 with a Bond principal of USD250 million equivalent in CNY co-guaranteed support (the Guarantee) from the Asian Infrastructure Investment Bank (AIIB or the Bank) and the Asian Development Bank (ADB). AIIB provided a three-year Partial Debt Guarantee (PDG) with a maximum guaranteed amount of USD125 million equivalent in CNY (the Project). The Bond proceeds will enable the government to support four sustainable and climate-resilient infrastructure subprojects in the water, energy, and health sectors. The subprojects of the Bond will align with the Paris Agreement and Pakistan's Sustainable Financing Framework (PSFF). This Bond will support the government in diversifying its external funding sources.
Expected Results	The expected results are based on the following indicators: (a) Greenhouse gas emission reduction from the water subproject. (b) Number of people benefiting from improved health facilities/services per year, disaggregated by gender. (c) Greenhouse gas emission reduction from the energy subproject. (d) Direct private capital mobilized, measured by the amount of capital invested by private investors into the guaranteed Bond.

	(e) Distribution losses in the targeted electricity distribution companies (DISCOs) reduced by at least 5% through the energy subproject
Environmental and Social Category	B
Environmental and Social Information	**Environmental and Social Policy and Categorization.** AIIB's Environmental and Social Policy (ESP), including the Environmental and Social Standards (ESSs) and the Environmental and Social Exclusion List (ESEL), will apply to this Project. ESS 1 (Environmental and Social Assessment and Management) and ESS 2 (Involuntary Resettlement) are applicable to the Project. Category B is assigned to the Project as the subprojects are expected to have a limited number of potentially adverse environmental and social (ES) impacts during construction and operation phases. None of the subprojects fall under AIIB's ESEL. **Environmental and Social Instruments.** The ES instruments prepared for these subprojects include: (a) an ES audit for the telemetry system; (b) an Environmental and Social Impact Assessment (ESIA) for the procurement and installation of equipment for the cancer hospital; and (c) an ESIA and a Resettlement Plan (RP) for the Jinnah Medical Complex and Research Center (JMCRC). For the energy-sector subproject, the relevant ESIAs/ES Management Plans (ESMPs) prepared by the DISCOs following ADB's Safeguard Policy Statement (SPS 2009) were reviewed and found to be aligned with AIIB's ESP. In addition, Pakistan's Ministry of Finance (PMOF) has prepared Pakistan's Sustainable Finance Framework (PSFF), an important step in aligning the national financing strategy with the country's sustainability commitments. The PSFF is aligned with the Green Bond Principles, the Social Bond Principles, and the Sustainability Bond Guidelines administered by the International Capital Market Association (ICMA). Its key components include: (a) Use of Proceeds; (b) Process for Project Evaluation and Selection, including the identification and mitigation of ES risks; (c) Management of Proceeds; and (d) Reporting. **Environmental and Social Aspects.** Anticipated environmental risks and impacts of the water and health sub-projects primarily relate to construction activities, including air emissions from machinery, dust generated by excavation and vehicle movement, potential soil and water contamination from worksite pollutants, and discharge of domestic sewage and wastewater from temporary facilities. Other potential impacts include limited removal of natural vegetation and trees, generation of (hazardous and nonhazardous) waste, liquid waste, noise and vibration, and occupational and community health and safety risks. As all work will occur within existing developed environments, impacts on biodiversity are expected to be minimal to low level. Operational impacts may include generation of liquid and solid wastes, material spillage, and noise associated with routine maintenance activities. Social risks and impacts are considered minor to moderate and related primarily small-scale involuntary resettlement and livelihood disruption, labor and working conditions, labor influx, potential

	gender-based violence (GBV), and inadequate stakeholder engagement. ES risks and impacts for the energy sub-project are related to the installation of smart meters and are expected to generate minimal disturbances. ES instruments for each subproject have been prepared, and the mitigation measures outlined in the ES instruments will be implemented by the agencies responsible. In addition, risks related to GBV will be mitigated through the implementation of the Codes of Conduct, which include GBV provisions for contracted workers and through related training to be developed by the respective Project Implementation Units (PIUs) and incorporated into each relevant subproject ES plan. **Occupational Health and Safety, Labor and Employment Conditions.** Potential risks related to labor and working conditions include inadequate occupational health and safety measures and potential exclusion of local workers from job opportunities. Mitigation measures are included in the ES instruments to ensure compliance with national labor laws and AIIB's ESS1, establish accessible worker grievance redress mechanisms (GRMs), and monitor contractors and sub-contractors for adherence to labor requirements. Special emphasis has been placed on ensuring equal opportunity and non-discrimination in recruitment, with priority consideration for local workers, including women. **Stakeholder Engagement, Consultation, and Information Disclosure.** Consultations with stakeholders were carried out during the preparation of the ES instruments, and feedback received from the stakeholders, including concerns related to noise and traffic, has been reflected in the respective ES documents. The subproject teams will continue to engage with all stakeholders during Project implementation. The ES instruments for the subprojects have been disclosed by the respective implementing agencies on their websites. The PMOF has also disclosed the ES instruments and are available at: https://www.finance.gov.pk/dpco_publications. **Project Grievance Redress Mechanism.** Project-level GRMs will be established at two levels to ensure accessibility and accountability. Each subproject will have its own GRM, managed by the respective PIU, to address site-specific concerns raised by workers and affected communities in a timely manner. In parallel, a Project-level GRM will be established within the Central Working Group (CWG) to provide oversight, address grievances that cannot be resolved at the subproject level, and ensure consistency across the Project. The information about the established GRMs and AIIB's Project-affected People's Mechanism (PPM) will be disclosed in a timely and appropriate manner. **Monitoring and Reporting Arrangements.** The CWG will ensure compliance with AIIB's ES requirements. At the subproject level, dedicated PIUs have been established within the subproject implementing entities for overall monitoring and reporting. Dedicated ES staff are part of these PIUs. An independent ES monitoring report on actions included in the corrective action plan and the implementation status of ESIA/ESMP will be submitted semi-annually based on the agreed

	format. AIIB may conduct missions and field visits to assess the project's performance in implementing ES instruments. The frequency of these missions and visits will be determined as required.
Cost and Financing Plan	Maximum Guaranteed Amount: Up to USD285 million equivalent in CNY to be co-guaranteed by AIIB and ADB as follows: • AIIB's PDG: Up to USD125 million equivalent in CNY. • ADB's PCG: Up to USD160 million equivalent in CNY. AIIB's financial exposure under the PDG: 95% of outstanding Bond principal plus accrued but unpaid Bond interest.
Borrower	Ministry of Finance, Pakistan
Estimated date of loan closing	May 2029

Contact Points:	**AIIB**	**ADB**	**Implementation Entity**
Name	Yi Han	Xijie Lu	Rabia Ahmed
Title	Investment Officer	Urban Development Specialist	Officer
Email Address	yi.han@aiib.org	xijielu@adb.org	directorext-debt@finance.gov.pk
Date of Concept Decision	July 3, 2025		
Date of Appraisal Decision	September 19, 2025		
Date of Financing Approval	November 19, 2025		

Independent Accountability Mechanism	AIIB's Policy on the Project-affected People's Mechanism (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.