

DETAILS OF IMPLEMENTATION ARRANGEMENTS

- Standard fund implementation arrangements.** In implementing the equity investment in the Creador III, L.P. Fund, the Asian Development Bank (ADB) will undertake all standard implementation arrangements that pertain to private equity funds, i.e., all of the processes and mechanisms used for investment performance monitoring, reporting, and evaluation. These processes and mechanisms include financial and nonfinancial monitoring.
- Quarterly and annual reports.** The Fund will provide ADB with (i) quarterly unaudited reports; and (ii) audited annual reports, including financial statements, a Fund overview, and an overview of the portfolio with brief information on each portfolio company's performance and valuation. ADB will review this information and follow up with the Fund and Creador to clarify when more information is needed. If information received from the general partner points to issues that could impair the value of ADB's investment, ADB will decide whether to put the fund on a watch list for more frequent review and closer attention.
- Nonfinancial monitoring.** The general partner will be required to submit its environmental and social management system to ADB and to report annually to ADB on environmental and social safeguard issues. The ADB deal officer will request the environmental and social management system reports and annual reviews as appropriate, and will work with the relevant general partner staff to ensure that these documents meet ADB standards. The general partner will be required to ensure that the fund's investments comply with core labor standards and ADB's Social Protection Strategy.¹ The fund will include information in its annual report on compliance with core labor standards with respect to its investments.

¹ ADB. 2001. *Social Protection Strategy*. Manila.