



Philippines: PHILIPPINE INVESTMENT ALLIANCE FOR INFRASTRUCTURE (PINAI)

Project Name	PHILIPPINE INVESTMENT ALLIANCE FOR INFRASTRUCTURE (PINAI)		
Project Number	45929-014		
Borrower/Company			
Country	Philippines		
Location			
Approval Number	7357		
Type of ADB Assistance / Amount	7357	Equity	USD 1,054.85 million Approved
Strategic Agendas	Inclusive economic growth		
Drivers of Change	Private sector development		
Sector / Subsector	Finance - Infrastructure finance and investment funds		
Gender Equity and Mainstreaming			
Responsible ADB Department	Private Sector Operations Department		
Responsible ADB Division	Portfolio Management Division, PSOD		
Responsible ADB Officer	Taneja, Anshukant		
Project Sponsor(s)			
Description	PHILIPPINE INVESTMENT ALLIANCE FOR INFRASTRUCTURE (PINAI)		
Objectives and Scope	<p>The Fund makes equity and equity-linked investments in core infrastructure assets in the Philippines which exhibit all of the following characteristics: a) provide an essential service to the community; (b) benefit from barriers to competition or other strategic competitive advantage; and (c) have a long economic life. Also, the investment will have at least one of the following characteristics: d) substantially all of their revenues secured through long term contracts; or (e) generate sustainable and predictable cash flows as a result of stable usage/demand due to a quasi-monopolistic position or limited availability or alternatives, possibly with capital growth potential.</p>		
Status of Development Objectives	<p>Private equity funds (PEFs) are relatively nascent in the Philippines and the country sees limited investment activity through this asset class. The Fund's management team is based locally and provides the market with a clear example of effective financial intermediation (through private equity) and the mobilization of new institutional capital and expertise into a sector where such facets of investing are in high demand. PINAI's success is envisaged to launch more PEFs in the country, attract more institutional capital, and further develop domestic capital markets. In addition, investment in the Fund is expected to contribute towards increased private sector infrastructure investments in the Philippines. As the Fund is in its early stages of investing, these development objectives are not yet fully realized.</p>		
Linkage to Country/Regional Strategy	<p>The investment in the Fund is aligned to the Country Partnership Strategy's goal for private sector operations to be oriented to the needs of government priorities, as it focuses on (i) infrastructure finance and (ii) renewable energy and energy efficiency projects either through direct assistance or through investments in private equity funds operating in the Philippines.</p>		

Safeguard Categories

Environment	FI
Involuntary Resettlement	FI
Indigenous Peoples	FI

Summary of Environmental and Social Aspects

Environmental Aspects	<p>The Fund has a social safeguards screening checklists to identify the potential involuntary resettlement and indigenous peoples impacts of the investments activities and determine the impact category based on the significance of those impacts. An ESMS consistent with ADB's environmental and social policy principles and requirements was also adopted by the Fund manager.</p>
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Involuntary Resettlement	The Fund has a social safeguards screening checklists to identify the potential involuntary resettlement and indigenous peoples impacts of the investments activities and determine the impact category based on the significance of those impacts. An ESMS consistent with ADB's environmental and social policy principles and requirements was also adopted by the Fund manager.
Indigenous Peoples	The Fund has a social safeguards screening checklists to identify the potential involuntary resettlement and indigenous peoples impacts of the investments activities and determine the impact category based on the significance of those impacts. An ESMS consistent with ADB's environmental and social policy principles and requirements was also adopted by the Fund manager.
Stakeholder Communication, Participation, and Consultation	

Timetable for assistance design, processing and implementation

Concept Clearance	27 Feb 2012
Due Diligence	08 Jun 2012
Credit Committee Meeting	21 Jun 2012 to 21 Jun 2012
Approval	30 Jul 2012
PDS Creation Date	20 Jun 2012
Last PDS Update	30 Sep 2014

Project Page	https://www.adb.org/projects/45929-014/main
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