

Project Summary Information (PSI)

Project No.: 000031

Project Name	IFC Emerging Asia Fund
Country	Emerging Asia
Sector	Multi-Sector
Project No.	000031
Environmental and Social Category	Category FI
Date of PSI prepared or updated	30 June 2017
Estimated Date of Board Consideration	September 2017
Concept Decision	Approved

I. Introduction

The IFC Emerging Asia Fund (the Fund) is being formed to provide investors with the opportunity to invest in IFC's proprietary pipeline of investments in Emerging Asia. The Fund has a target size of US\$1 billion and intends to select equity and quasi-equity investments in companies, entities or other arrangements to build a diversified portfolio of investments across Emerging Asia. The Bank seeks to commit US\$150 million to the Fund.

The Project is well aligned with the Bank's mandate to (i) foster sustainable economic development, create wealth and improve infrastructure connectivity in Asia by investing in infrastructure and other productive sectors, and (ii) promote regional cooperation and partnership in addressing development challenges by working in close collaboration with other multilateral development institutions such as the International Finance Corporation (IFC).

II. Objectives and Expected Results

The Fund's investment objective is to make non-controlling equity, quasi-equity, and equity-related investments in companies, entities or other arrangements in IFC member countries in Emerging Asia. Key target markets include established markets (China, India), developing markets (such as Indonesia, Philippines), and frontier markets (such as Bangladesh, Cambodia, Myanmar, Sri Lanka, Vietnam). The Bank will only permit its investment, or the proceeds of its investment, to be deployed in Bank member countries.

This Fund will benefit local projects in Emerging Asia by attracting additional capital inflows from global long-term investors. The Bank also expects long-term income and capital gains by providing not only capital to the Fund, but also by participating in co-investment opportunities with both the Fund and IFC.

III. Fund Description

The Fund is an Emerging Asia growth-focused private equity fund with a returns-driven strategy, selectively investing growth capital across multiple sectors with IFC over a five-year period. Each investment generates both financial returns and positive and measurable development impact. The Fund tries to achieve its portfolio diversification through industry, geographic and vintage diversification. The target sectors of the Fund are (i) infrastructure; (ii) financial institutions; and (iii) manufacturing, agribusiness and services.

The Fund's investment strategy is in line with IFC's, which combines an asset strategy with a sector strategy. The asset strategy consists of (i) providing support to regional champions and well-established local players seeking to expand outside of their home markets and across the region; (ii) continuing support to existing clients through capacity building programs and offering end-to-end financial

solutions; and (iii) building relationships with new players in technology and other innovative sectors. The sector strategy is designed to maximize macro-economic impact and job creation while minimizing sector-specific risks. In line with this approach, the Fund aims to build an overall investment portfolio that strikes an appropriate balance between the financial and real sector.

IV. Environmental and Social Category

The Project is categorized FI, because the financing structure involves the provision of funds through a financial intermediary (FI) for the Project, whereby the Bank delegates to the FI the decision-making on the use of the Bank funds, including the selection, appraisal, approval and monitoring of Bank-financed Fund investments. The Fund is managed by IFC Asset Management Company, LLC (AMC), a wholly-owned subsidiary of IFC. AMC is required to follow IFC's Policy on Environmental and Social Sustainability and Performance Standards in matters of environmental and social due diligence. The Fund will rely on IFC's approach to screen and categorize Fund investments as Category A, B, C or FI, and review, conduct due diligence on, and monitor the environmental and social risks and impacts associated with the Fund investments. IFC's Policy and Performance Standards are (i) consistent with the Bank's Articles of Agreement and materially consistent with the provisions of the Bank's Environmental and Social Policy and relevant Environmental and Social Standards; and (ii) the monitoring procedures that the IFC has in place to ascertain compliance with its Policy and Performance Standards are considered consistent with the Environmental and Social Policy of the Bank. The Fund will also comply with IFC's Environmental and Social Exclusion List.

V. Estimated Fund Size (in US\$ million)

Fund Commitments:	640	Total AIIB Financing:	150
Financing Gap:			
For Loans/Credits/Equity/Others			Amount
IFC			150
AIIB			150
Other Investors			340
Total			640

VI. Implementation

As the manager of the Fund, AMC mobilizes and manages capital for investment in developing and frontier markets. It was created in 2009 to provide investors with access to IFC's emerging-markets investment pipeline and to expand the supply of long-term capital to these markets, enhancing IFC's development impact and generating profits for investors by leveraging IFC's global platform and investment standards and approaches.

As of March 2017, AMC managed 13 investment funds covering equity, debt, and fund of funds, having raised approximately US\$9.8 billion. Investors in funds managed by AMC include sovereign wealth funds, pension funds, multilateral and bilateral development finance institutions, national development agencies, and international financial institutions.

The procurement of goods and services funded under the investment should comply with the Bank's Procurement Policy for Private Sector Entities. The Bank will rely on the due diligence conducted by the IFC investment team during their evaluation of the investment to ensure that sound commercial private sector practices related to the procurement will be applied by the investees.

Expected implementation period (Start Date and End Date): 2017 – 2027

Contact Points

Asian Infrastructure Investment Bank (AIIB):

Mr. Dong-Ik Lee

Project Team Leader

Phone: +86 10 8358 0125

Email: dongik.lee@aiib.org

IFC Asset Management Company (AMC):

Ms. Saadia Khairi

Co-Head, IFC Emerging Asia Fund

Phone: +1 202 473 0735

Email: skhairi@ifc.org

Mr. Andrew Yee

Co-Head, IFC Emerging Asia Fund

Phone: +65 6517 1240

Email: ayee1@ifc.org