Early Warning System

AIIB-000030

India: National Investment and Infrastructure Fund Phase I

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Quick Facts

Countries	India
Financial Institutions	Asian Infrastructure Investment Bank (AIIB)
Status	Approved
Bank Risk Rating	U
Voting Date	2018-06-24
Borrower	National Investment and Infrastructure Fund Ltd
Sectors	Energy, Finance, Industry and Trade, Infrastructure, Transport
Investment Type(s)	Loan
Investment Amount (USD)	$ 200.00 million
Loan Amount (USD)	$ 200.00 million
Project Cost (USD)	$ 2,100.00 million

Project Description

According to AIIB documents:

"The objective of the Fund is to mobilize more private sector capital into infrastructure sectors, and increase infrastructure investment in India. These investments will include operating companies and new ventures. The platform could also consider investments into other commercially viable investments within the broader strategy of the Fund...

Sector specific platform companies will be the primary investment vehicles of the Fund. For each sector of interest, the Fund will create a platform company in partnership with a limited number of financial investors. Operating expertise will be sought either through the inclusion of an operating partner or through a management team backed by NIIF and other partners...

The Fund will exclusively invest in India and intends to operate mostly through scalable platform companies that will target infrastructure assets primarily in the following sectors: roads, ports, airports, power (generation, transmission, distribution), urban infrastructure, and logistics..."

Early Warning System Project Analysis

As stated by the AIIB, the Project has been placed in Category FI, because the financing structure involves the provision of AIIB's funds through a Financial Intermediary (FI). AIIB delegates to NIIFL the decision-making on the use of Bank funds, including the selection, appraisal, approval and monitoring of sub-funds and the oversight of their respective investments in portfolio companies, in accordance with the investment documentation and the Environmental and Social Management System (ESMS) adopted by NIIFL and approved by AIIB.

Investment Description

- Asian Infrastructure Investment Bank (AIIB)

The target fund size is $2,100 USD million. The estimated AIIB investment is $200 USD million.

Financial Intermediary

Financial Intermediary: A commercial bank or financial institution that receives funds from a development bank. A financial intermediary then lends these funds to their clients (private actors) in the form of loans, bonds, guarantees and equity shares. Financial intermediaries include insurance, pension and equity funds. The direct financial relationship is between the development bank and the financial intermediary.

- National Investment and Infrastructure Fund Limited (NIIF) (Financial Intermediary)

Private Actors Description

As stated by the AIIB, since infrastructure investments require long-term, patient capital, the Government of India anchored the establishment of the National Investment and Infrastructure Fund Ltd (NIIFL), a fund manager that manages investments in infrastructure and related sectors in India. NIIF Limited manages over USD 4.3 billion of capital commitments across its three funds – Master Fund, Fund of Funds and Strategic Opportunities Fund, each with its distinct investment strategy. The Fund of Funds, registered with the Securities and Exchange Board of India ('SEBI') as NIIF Fund of Funds– I (Fund), is in a unique and strong position to provide fillip to funds dedicated to infrastructure and related sectors in India.

Contact Information

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ACCOUNTABILITY MECHANISM OF AIIB

The AIIB has established the Accountability Mechanism for Project-Affected People (PPM). The PPM provides “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 Project level GRMs or AIIB Management processes.” Two or more project-affected people can file a complaint. Under the current AIIB policy, when the bank co-finances a project with another development bank, it may apply the other bank's standards. You can refer to the Project Summary Information document to find out which standards apply. You can learn more about the PPM and how to file a complaint at: https://www.aiib.org/en/about-aiib/who-we-are/project-affected-peoples-mechanism/how-we-assist-you/index.html.

The complaint submission form can be accessed in Arabic, Bahasa Indonesia, Bengali, Chinese, English, Tagalog, Hindi, Nepali, Russian, Turkish, or Urdu. The submission form can be found at: https://www.aiib.org/en/about-aiib/who-we-are/project-affected-peoples-mechanism/submission/index.html.

Bank Documents

- Project Summary Information

Campaign Documents

- AIIB's Investment in the National Infrastructure Investment Fund: Why is it a Risky Venture?
- CSO Report: Financing the Future
- Learn more: This projects is tracked by AIIB Watch.