Early Warning System

AIIB-000031

Multicountry: International Finance Corporation Emerging Asia Fund

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Quick Facts

Financial Institutions	Asian Infrastructure Investment Bank (AIIB)
Status	Approved
Bank Risk Rating	U
Voting Date	2017-09-27
Borrower	IFC Emerging Asia Fund
Sectors	Agriculture and Forestry, Education and Health, Finance, Industry and Trade, Transport
Investment Type(s)	Loan
Investment Amount (USD)	$ 150.00 million
Loan Amount (USD)	$ 150.00 million
Project Cost (USD)	$ 640.00 million

Project Description

According to AIIB website, the IFC Emerging Asia 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 IFC.

Early Warning System Project Analysis

As stated by the AIIB, the Project is categorized FI, because the financing structure involves the provision of funds through a financial intermediary, whereby the Bank delegates the decision-making on the use of the Bank funds, including the selection, appraisal, approval and monitoring of investments. The Fund is a subsidiary of IFC and is required to follow IFC's Policy on Environmental and Social Sustainability and Performance Standards in matters of environmental and social due diligence.

Investment Description

- Asian Infrastructure Investment Bank (AIIB)

Total AIIB financing will be $150 USD million. The IFC is investing $150 USD million. The total project cost is estimated to be $640 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.

- IFC Emerging Asia Fund (Financial Intermediary) **is owned by** International Finance Corporation (IFC) (Parent Company)

Private Actors Description

As stated on the fund's webpage, IFC Emerging Asia Fund makes equity, equity-related and mezzanine investments across all sectors in the emerging markets of Asia.

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 [Original Source]
- Project Summary Information - Sept. 27, 2017

Campaign Documents

- Learn more: This project is tracked by AIIB Watch.
- Moving Beyond Rhetoric: How the AIIB can close the loophole on fossil fuels
- Shwe Taung Cement Case Study