Early Warning System

IFC-34837

IIF A&B Loan

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Quick Facts

Countries	Indonesia
Financial Institutions	International Finance Corporation (IFC)
Status	Completed
Bank Risk Rating	A
Voting Date	2014-05-21
Borrower	INDONESIA INFRASTRUCTURE FINANCE, PT
Sectors	Finance
Investment Type(s)	Loan
Investment Amount (USD)	$ 30.00 million
Project Cost (USD)	$ 250.00 million

Project Description

The proposed project (the “Project”) consists of a senior debt package for up to US$250 million to PT Indonesia Infrastructure Finance (the “Company”) in Indonesia. The Project will support the Company’s lending program for a pipeline of infrastructure projects in Indonesia. The Company is headquartered in Jakarta, Indonesia, and invests in infrastructure projects across Indonesia. Specific geographic locations for the pipeline projects are to be determined.

People Affected By This Project

- Provision of long-term capital, which is scarce and not readily available in the market for young institutions such as the Company;
- Continued know-how transfer in the areas of Environmental and Social ("E&S") risk management and project finance underwriting;
- Support to the government of Indonesia''s efforts in increasing investment in infrastructure projects, both for increasing urbanization as well as rural integration;
- Improve access for the Indonesian population to infrastructure such as electricity, water, transportation, telecommunications, etc;
- Economic benefits to the country by dividends generated by the infrastructure projects as well as taxes levied to the project companies, as well as indirect impact of additional infrastructure on the overall economy through higher growth and more efficient operations; and
- Job creation at the project company that receives financing from the Company as well as in businesses that provide services to such project company.

Investment Description

- International Finance Corporation (IFC)

The proposed investment consists of:
Up to US$ 30 million of A Loan for IFC's own account,
Up to US$ 22.5 million of IFC's Managed Co-Lending Portfolio Program Loan ("MCPP Loan"), and
Up to US$ 197.5 million of B Loan

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.

- PT Indonesia Infrastructure Finance (Financial Intermediary)

Private Actors Description

PT Indonesia Infrastructure Finance was established in 2009 with the founding shareholders including PT Sarana Multi Infrastruktur (“SMI”), IFC, Asian Development Bank (“ADB”), and Deutsche Investitions-Und Entwicklungsgesellschaft MBH (“DEG”).

On 1 November 2011, SMBC subscribed newly issued shares of the Company to acquire 14.9% shareholding. In December 2013, the Company conducted rights issuance which changed the shareholding to be: SMI (33.88%), IFC (19.99%), ADB (19.99%), SMBC (14.99%), and DEG (11.24%).

Contact Information

1/Project Contact

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2/IFC Contact

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3/Access for Project Documentation

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ACCOUNTABILITY MECHANISM OF IFC

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org. You can learn more about the CAO and how to file a complaint at http://www.cao-ombudsman.org/