Early Warning System

IFC-37484

Abraaj Pakistan

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Quick Facts

Countries	Pakistan
Financial Institutions	International Finance Corporation (IFC)
Status	Active
Bank Risk Rating	B
Voting Date	2016-08-02
Borrower	ABRAAJ PAKISTAN FUND I L.P.
Sectors	Finance
Investment Type(s)	Equity
Investment Amount (USD)	$ 20.00 million
Project Cost (USD)	$ 200.00 million

Project Description

The proposed project consists of an equity investment of up to US$20 million in Abraaj Pakistan Fund I, L.P. (or the Fund), a closed-end private equity fund domiciled in the Cayman Islands. The Fund targets US$200 million in total commitments and will invest in midcap private companies with regional growth potential based in Pakistan and operating in Consumer driven sectors. The Fund is expected to make 8 to 10 investments with ticket sizes ranging between US$5million to US$40 million.

People Affected By This Project

(i) Job creation: SMEs are the major sources of employment in Pakistan. Through the Fund''s investment in SMEs, much needed growth capital will be injected into the system to foster employment creation.
(ii) Access to finance: small and midcap companies are constrained by a lack of access to long-term, risk-oriented capital and institutional support. The Fund will provide long term risk capital, which is very difficult for the local SMEs to obtain.
(iii) Introducing new sources of finance: Establishment of funds in the region introduces additional and complementary sources of financing to the financial markets which are largely dominated by banks.
(iv) Promoting sustainable growth: The Fund will play an active role in strengthening the SME''s governance and transparency. Through hands-on involvement, operating efficiencies of the portfolio companies will be improved, thus promoting growth and sustainability.

Investment Description

- International Finance Corporation (IFC)

The Abraaj Group (the “Group”) is a private equity manager investing in emerging markets across Asia, Africa, Latin America, the Middle East, and Turkey. Founded in 2002, Abraaj is a limited liability company established in the United Arab Emirates, located in the Dubai International Financial Centre (“DIFC”). As of May 2016, the Group Asset under Management reached US$9.6 billion.

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.

- Abraaj Pakistan Fund I, L.P. (Financial Intermediary)
- The Abraaj Group (Financial Intermediary)

Private Actors Description

Abraaj Pakistan Fund I, L.P. is a closed-end private equity fund domiciled in the Cayman Islands.

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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/