

 Early Warning System

IIC-11911-01

Portland Caribbean Fund II, L.P. Commitment Increase



Quick Facts

Countries	Colombia, Costa Rica, Dominican Republic, Panama
Financial Institutions	European Investment Bank (EIB), IDB Invest (IDB), International Finance Corporation (IFC)
Status	Approved
Bank Risk Rating	F1
Voting Date	2016-06-14
Borrower	Portland Caribbean Fund II, L.P.
Sectors	Finance
Investment Type(s)	Loan
Investment Amount (USD)	\$ 10.20 million
Project Cost (USD)	\$ 15.30 million



Project Description

According to IIC website, Portland Caribbean Fund II, L.P. is a multi-sector growth fund that targets high-growth middle market companies that are poised for national or regional expansion. Particular emphasis will be on the following sectors: services (financial and non-financial), communications, renewable energy, agribusiness, and infrastructure. The geographical focus of the Fund is the CARICOM member and associate member states, Dominican Republic, Colombia, Panama and Costa Rica.

The objective of the project is to provide further resources to support private equity investments in the Caribbean region by increasing the IIC's investment in the Portland Caribbean Fund II, L.P.. The Fund now has a target size of US\$200 million, a scale that will allow it to be successful and impactful and enable the Fund Manager to build a sustainable fund management platform in the Caribbean region for future successor funds.



Early Warning System Project Analysis

This is a category FI-1 project according to the IIC's Environmental and Social Sustainability Policy because certain pipeline investee companies in the Fund's current or future portfolio are considered of high environmental and social risk. Portland's current portfolio is composed of investments in a regional telecom company, a wind farm in Panama, and a Bank in Bermuda. There are some other potential projects in diverse sectors such as energy, insurance, manufacturing, trade finance, fast food restaurants and trade finance.

Environmental risks and impacts associated with some sectors in the pipeline may include but are not limited to: i) environmental risks such as: air emissions, waste management, habitat alteration and fragmentation, ii) operational health and safety risks such as: chemical hazards, noise, fire and explosions, heat, and radiation, iii) community issues such as: land acquisition, health, safety and security, potential impacts on indigenous and other vulnerable communities, iv) biodiversity conservation and stakeholder engagement.



Investment Description

- European Investment Bank (EIB)
- IDB Invest (IDBI)
- International Finance Corporation (IFC)

On December 2015, the IIC Board of Executive Directors approved an initial investment of US\$5.1 million in the Fund. With the current project, the IIC proposes to increase its initial investment by US\$10.2 million to reach a total investment of US\$15.3 million in the Fund. This increase in IIC's commitment will strengthen and continue IIC's partnership with the Fund. Also, IIC will reach the investment level required to obtain the right to a voting membership at the Joint Advisory Committee instead of being an observer member, and will enable the IIC to explore opportunities to co-invest and finance the portfolio companies of the Fund.

The investors in the Fund are among others: Export Development Canada, European Investment Bank, German Development Bank (DEG), IFC, Caribbean Development Bank, Development Bank of Latin America (CAF) and local pension funds.

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.

- [Portland Caribbean Fund II, L.P.](#) (Financial Intermediary)



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Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Portland Holdings Inc.	Parent Company	-



Contact Information

IIC Communications Group

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ACCOUNTABILITY MECHANISM OF IIC

The Independent Consultation and Investigation Mechanism (MICI) is the independent complaint mechanism and fact-finding body for people who have been or are likely to be adversely affected by an Inter-American Development Bank (IDB) or Inter-American Investment Corporation (IIC)-funded project. If you submit a complaint to MICI, they may assist you in addressing the problems you raised through a dispute-resolution process with those implementing the project and/or through an investigation to assess whether the IDB or IIC is following its own policies for preventing or mitigating harm to people or the environment. You can submit a complaint by sending an email to MICI@iadb.org. You can learn more about the MICI and how to file a complaint at <http://www.iadb.org/en/mici/mici,1752.html> (in English) or <http://www.iadb.org/es/mici/mici,1752.html> (Spanish).