



Regional: REG: AIF CAPITAL ASIA III

Project Name	REG: AIF CAPITAL ASIA III			
Project Number	39924-014			
Borrower / Company	AIF CAPITAL ASIA III, LP			
Country / Economy	Regional			
Location	Regional			
Type or Modality of Assistance	7230	Equity	Ordinary capital resources	USD 30.00 million Committed
Strategic Agendas	Inclusive economic growth			
Drivers of Change	Private sector development			
Sector / Subsector	Finance / Infrastructure finance and investment funds			
Gender				
Responsible ADB Department	Private Sector Operations Department			
Responsible ADB Division	Private Sector Investment Funds & Special Initiatives Div			
Responsible ADB Officer	Pacífico, Catherine C.			
Project Sponsor(s)				
Description	ADB committed to make an equity investment of up to US\$30 million in AIF Capital III, LP not to exceed a 25% stake, or result in ADB being the largest investor in the Fund. The Fund's manager is AIF Capital Limited, one of Asia's largest independent private equity firms, overseeing \$1 billion in capital. Based in Hong Kong PRC, it has over ten years of private equity investing experience in Asia.			
Objectives and Scope	The Fund targets companies benefitting from Asia's economic growth, with a focus on two key trends: (i) further integration of Asia into the global supply chain, and (ii) rising domestic demand driven by the emerging Asian middle class.			
Status of Development Objectives	The Fund will help promote the growth of the private equity industry in the middle market segment. It can increase the amount of bank lending to businesses by (a) injecting equity to improve the balance sheet and borrowing power of the portfolio company, and (b) completing separate due diligence on the business opportunity to address any concerns the bank may have on the viability. The Fund Manager's ability to add value in terms of instilling best practices in corporate governance creates a demonstration effect, in which the standards of a given industry are improved.			
Linkage to Country/Regional Strategy	ADB's country strategy for the People's Republic of China (PRC) recommends making markets work better by developing an enabling environment for the private sector; promoting good governance, the rule of law, and transparent regulation; supporting financial sector reforms; and expanding ADB's private sector operations. For India, ADB's country strategy and program 2003-2006 states that the private sector has a leading role to play in achieving growth targets. The strategy focuses on promoting an enabling environment for private sector development through (i) financial sector interventions to improve financial intermediation and resource mobilization; (ii) policy reforms to remove impediments to private investment-domestic and foreign; (iii) investment in public infrastructure, which also facilitates private investment; (iv) public-private partnerships; and (v) investments in private sector projects. For Indonesia, the country strategy and program (2002-2005) highlights the role of business investment in accelerating Indonesia's growth path and pays special attention to fostering a vibrant and competitive private sector.			

Safeguard Categories

Environment	FI
Involuntary Resettlement	C
Indigenous Peoples	C

Summary of Environmental and Social Aspects

Environmental Aspects	The Fund Manager already possesses experience with respect to adhering to ADB's social and environmental safeguard policies through its existing funds. The Fund Manager has adopted an environment management system.
Involuntary Resettlement	
Indigenous Peoples	
Stakeholder Communication, Participation, and Consultation	

Timetable for assistance design, processing and implementation

Concept Clearance	04 Aug 2005
Credit Committee Meeting	11 Apr 2006
Approval	31 May 2006
PDS Creation Date	18 Jul 2006
Last PDS Update	27 Sep 2018

Request for Information

<http://www.adb.org/forms/request-information-form?subject=39924-014>

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