



Report and Recommendation of the President to the Board of Directors

Project Number: 55214-001
November 2021

Proposed Equity Investment Investment in Northstar Equity Partners V Limited (Regional)

This is a redacted version of the document approved by ADB's Board of Directors, which excludes information that is subject to exceptions to disclosure set forth in ADB's Access to Information Policy.

Asian Development Bank

ABBREVIATIONS

ADB	–	Asian Development Bank
COVID-19	–	coronavirus disease
E&S	–	environmental and social
ESMS	–	environmental and social management system
GDP	–	gross domestic product
IRC	–	investment review committee
IRR	–	internal rate of return
IT	–	information technology
MOIC	–	multiple on invested capital
NEP V	–	Northstar Equity Partners V Limited
SMEs	–	small and medium-sized enterprises
US	–	United States

NOTE

In this report, “\$” refers to United States dollars.

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^a Outposted to the ADB Singapore Office.

In preparing any country program or strategy, financing any project, or by making any designation of or reference to a particular territory or geographic area in this document, the Asian Development Bank does not intend to make any judgments as to the legal or other status of any territory or area.

CONTENTS

	Page
PROJECT AT A GLANCE	
I. THE PROPOSAL	1
II. THE FUND	2
A. Investment Identification and Description	2
B. Business Overview and Strategy	3
C. Ownership, Management, and Governance	4
D. Financial Performance	4
III. THE PROPOSED ADB ASSISTANCE	5
A. The Assistance	5
B. Financial Analysis of Expected Returns and Assumptions	5
C. Implementation Arrangements	5
D. Value Added by ADB Assistance	5
E. Risks	6
IV. DEVELOPMENT IMPACT AND STRATEGIC ALIGNMENT	6
A. Development Impact, Outcomes, and Outputs	6
B. Alignment with ADB Strategy and Operations	6
V. POLICY COMPLIANCE	7
A. Safeguards and Social Dimensions	7
B. Anticorruption Policy	8
C. Investment Limitations	8
D. Assurances	8
VI. RECOMMENDATION	9
APPENDIXES	
1. Design and Monitoring Framework	9
2. List of Linked Documents	10

PROJECT AT A GLANCE

1. Basic Data		Project Number: 55214-001	
Project Name	Investment in Northstar Equity Partners V Limited	Department/Division	PSOD/PSIS
Country	REG (INO, PHI, THA, VIE)		
Investee	Northstar Equity Partners V Limited		
Portfolio at a Glance	https://www.adb.org/Documents/LinkedDocs/?id=55214-001-PortAtaGlance		
2. Sector		Subsector(s)	
✓ Finance	Infrastructure finance and investment funds		ADB Financing (\$ million)
			40.00
		Total	40.00
3. Operational Priorities		Climate Change Information	
✓ Addressing remaining poverty and reducing inequalities	GHG reductions (tons per annum)		0.000
✓ Accelerating progress in gender equality	Climate Change impact on the Project		Low
		ADB Financing	
		Adaptation (\$ million)	0.00
		Mitigation (\$ million)	0.00
		Cofinancing	
		Adaptation (\$ million)	0.00
		Mitigation (\$ million)	0.00
Sustainable Development Goals		Gender Equity and Mainstreaming	
SDG 5.1	Effective gender mainstreaming (EGM)		✓
SDG 8.3			
		Poverty Targeting	
		General Intervention on Poverty	✓
4. Nonsovereign Operation Risk Rating - NA			
5. Safeguard Categorization			
	Environment: FI	Involuntary Resettlement: FI	Indigenous Peoples: FI-C
6. Financing			
Modality and Sources		Amount (\$ million)	
ADB		40.00	
Nonsovereign Investment Fund: Ordinary capital resources		40.00	
Cofinancing		0.00	
None		0.00	
Others ^a		460.00	
Total		500.00	
Currency of ADB Financing: US Dollar			

^a Derived by deducting ADB financing and Cofinancing from Total Project Cost.

I. THE PROPOSAL

1. I submit for your approval the following report and recommendation on a proposed equity investment of up to \$40,000,000 in Northstar Equity Partners V Limited.

2. Northstar Equity Partners V Limited (NEP V, the fund) is a private equity fund established as a Cayman Islands exempted company with limited liability, with an expected size of \$500 million. Northstar Capital Group V Limited, a Cayman Islands exempted company with limited liability, is the managing director of NEP V. The investment manager of the managing director, Northstar Advisors Pte. Ltd., is a Singapore limited liability company. The managing director and its affiliates comprise the Northstar Group (Northstar), which was established in 2003 by co-founders and managing partners Patrick Walujo and Glenn Sugita. Northstar launched its first private equity fund in 2006 and has raised about \$2.3 billion of committed capital and invested more than \$3.8 billion (including co-investments) in 45 companies in Indonesia and Southeast Asia as of 30 June 2021.

3. NEP V aims to provide growth capital to 8–10 midsized Indonesian companies operating primarily in consumer (including education, health care, and agribusiness), financial services, and digital economy ([This information has been removed as it falls under the exception to disclosure in ADB's Access to Information Policy, para. 17.2.(v)]) sectors.¹ The fund may invest up to [This information has been removed as it falls under the exception to disclosure in ADB's Access to Information Policy, para. 17.2.(v)] of the aggregate commitments in other countries in Southeast Asia.² The fund may also invest up to [This information has been removed as it falls under the exception to disclosure in ADB's Access to Information Policy, para. 17.2.(v)] of aggregate commitments in 6–8 early-stage opportunities.³

4. The fund will contribute to Indonesia's job growth by backing established, growing companies in the finance sector, and possibly also companies active in health care, education, and agribusiness. Through investments in the finance sector, NEP V may help address the under-penetration of financial services in Indonesia and Southeast Asia, and improve availability of capital for small and medium-sized enterprises (SMEs). By investing in promising technology-based businesses (including those related to finance, education, and agriculture; and e-commerce) NEP V will help these companies scale, operate more efficiently and cost-effectively, and acquire new customers. Northstar's developmental investments include (i) BTPN Syariah (Indonesia), a Shariah microfinance institution that targets the niche but sizable and underserved productive poor segment;⁴ (ii) e-Fishery (Indonesia), an agriculture technology company that

¹ Indonesian companies are headquartered or have existing significant operations in Indonesia, or that the managing director reasonably believes will (within a 5-year period), either (i) derive at least 50% of their revenue, profit, or market value from Indonesia; or (ii) expand significantly into or source significant business from Indonesia.

² Southeast Asian companies are headquartered or have existing significant operations in Southeast Asia, or that the managing director reasonably believes will (within a 5-year period), either (i) derive at least 50% of their revenue, profit, or market value from Southeast Asia, or (ii) expand significantly into or source significant business from Southeast Asia. Southeast Asia includes Brunei Darussalam, Cambodia, Indonesia, the Lao People's Democratic Republic, Malaysia, Myanmar, the Philippines, Singapore, Thailand, Timor-Leste, and Viet Nam. The Asian Development Bank (ADB) will only participate in any investments by the fund in portfolio companies operating in Cambodia, Indonesia, the Lao People's Democratic Republic, Malaysia, the Philippines, Thailand, Timor-Leste, and/or Viet Nam. Specifically, ADB will have excusal rights in relation to investments in Brunei Darussalam and Singapore (being graduated ADB developing member countries) and Myanmar. Based on discussions with Northstar, ADB considers that the likelihood of the fund investing in Myanmar is very low.

³ Early-stage opportunities include any investment opportunity in a portfolio company where the aggregate amount invested by the fund is \$15 million or less.

⁴ BTPN Syariah provides financing and services such as digital banking to remote communities, and also focuses on providing extensive nonfinancial services such as training in e-commerce and business skills.

provides an affordable, mobile-enabled fish-feeding device to help fish farmers optimize feeding costs; and (iii) Zenius (Indonesia), an education technology company that provides innovative and affordable learning programs to address the learning gaps of Indonesian students.

5. The value addition of the Asian Development Bank (ADB) investment in NEP V includes helping Northstar develop an environmental and social management system (ESMS) acceptable to ADB. Currently, Northstar maintains a basic environmental social policy, and ADB has reviewed and recommended actions to address numerous gaps in the policy. ADB will also require Northstar to appoint a technically qualified and experienced environmental and social (E&S) personnel to oversee the ESMS implementation and ensure capacity building within Northstar's team and prospective investee companies. In addition, ADB will assist Northstar to promote gender equality across NEP V's operations by introducing and implementing a gender-lens investing approach and enhancing gender-inclusive workplace practices.

II. THE FUND

A. Investment Identification and Description

6. **Description.** Northstar is the largest private equity firm focused on Indonesia, and has the longest history. It was established in 2003, and has 27 professionals based in Jakarta and Singapore; including 6 investment review committee (IRC) members; 12 investment professionals; 6 legal, finance and/or investor relations professionals; and 3 dedicated in-house operations executives. It will maintain its focus on significant minority and control investments in mature growth companies (with a small allocation for investment in select early-stage opportunities) in the areas it believes to be key drivers of growth across Indonesia and Southeast Asia, specifically: (i) consumers (including in education, health care, and agribusiness); (ii) financial services; and (iii) the digital economy.

7. [This information has been removed as it falls under the exception to disclosure in ADB's Access to Information Policy, para. 17.2.(v)].

8. Northstar's consumer and retail, financial services, and digital economy investments have generated strong early returns and realizations [This information has been removed as it falls under the exception to disclosure in ADB's Access to Information Policy, para. 17.2.(v)]. As a result, Northstar Group has repositioned its investment strategy to focus on these three core sectors and included a small, opportunistic allocation to early-stage investments. This refocused investment strategy is currently being tested in NEP IV and is showing early signs of success.

[This information has been removed as it falls under the exception to disclosure in ADB's Access to Information Policy, para. 17.2.(v)].

9. **Investment identification.** ADB first encountered Northstar in February 2015 as part of its private equity market-mapping due diligence and, over the next 5 years, continued to track the progress of the platform through regular interactions with the Northstar team. NEP V was launched during the third quarter of 2019, and ADB's benchmarking analysis confirmed that Northstar is the leading and most experienced Indonesia-focused private equity platform. Indonesia-focused peers Falcon House, Capsquare, and Saratoga are smaller and/or more recently established platforms, and lack the depth of experience and network that Northstar has attained over its prior four fund vintages and multiple economic cycles. Regional peers Creador and Exacta are already part of ADB's private equity portfolio.

10. **Portfolio fit.** The investment is well-aligned with ADB’s private equity funds strategy, which seeks to support country-dedicated funds in Southeast Asia such as Northstar V in Indonesia, Lombard V in Thailand, Navegar II in the Philippines, and Mekong IV in Viet Nam. These countries share a number of qualities: favorable demographics; strong growth, notwithstanding the impacts of the coronavirus disease (COVID-19); and rapid growth of their digital economies. Their markets also exhibit unique local needs, characteristics, and sectoral trends, which locally established fund managers such as Northstar are best placed to identify and address. This is particularly critical to enable early identification of promising startups, given the fund’s focus on the digital economy within its early-stage allocation. In this context, Northstar’s managing partners have a deep network within Indonesia’s startup ecosystem, and have demonstrated their ability in NEP IV to participate in early funding rounds of promising technology businesses such as Gojek, and Bank Jago. Sourcing control transactions also requires building long-term relationships with promoters and waiting for the right opportunity to be able to acquire a business, and provides a competitive edge to local, established managers such as Northstar.

11. **Market opportunity.** Given its primary focus on Indonesia, the medium- to long-term market outlook for NEP V is compelling. Indonesia—which has a nominal gross domestic product (GDP) that exceeds \$1.0 trillion, and a population of around 270 million with a median age of 31 years—continues to be one of the largest markets in Asia and a growing and attractive market in Southeast Asia.⁵ While the COVID-19 pandemic resulted in Indonesia’s first recession since 1999, ADB expects Indonesia’s economy to experience a V-shaped recovery with a forecast of 3.5% GDP growth for 2021, and 4.8% GDP growth in 2022.⁶ Several recent developments support Indonesia’s long-term growth prospects, including (i) the Government of Indonesia’s \$98 billion fiscal stimulus package, the fifth-largest in Asia and the Pacific; (ii) an ambitious COVID-19 vaccination program that began in February 2021 and targets 181 million inoculations by early 2022; (iii) passage of key labor market and financial reforms (collectively, the Omnibus Laws), which are expected to improve the business-enabling environment, generate jobs, and boost investor confidence; (iv) establishment of a \$20 billion sovereign wealth fund to attract foreign investment to finance large infrastructure projects; and (v) a rapidly growing digital economy, with consumers increasingly relying on online platforms for food delivery, groceries, education, health advice, and entertainment.⁷

12. **Gender-lens investing.** Very few firms in Southeast Asia apply a gender lens to their investments but gender-lens financing is increasing in the region.⁸ In Indonesia, gender-lens investing is increasingly having a significant development impact, especially in financial services, agriculture, and workforce development. Typically, investors understand gender-lens investing as directly financing businesses owned or led by women, and many investors report difficulty in finding investable enterprises that are owned or led by women. Similarly, the most common strategies used by gender-lens investors in Indonesia include providing critical goods and services to women and supporting businesses led and owned by women.⁹ As such, Northstar has not previously applied a specific gender lens to its investments, apart from including gender diversity among standard environment, social, and governance factors.

B. Business Overview and Strategy

⁵ Central Intelligence Agency. [The World Fact Book – Indonesia](#) (accessed 14 September 2021).

⁶ ADB. April 2021. [Asian Development Outlook](#). Manila; and ADB. 2021. [Asian Development Outlook Update](#). Manila.

⁷ Google, Temasek, and Bain & Company. 2020. [e-Economy, SEA 2020](#). Singapore.

⁸ S. Biegel et al. 2020. [Gender Lens Investing Landscape 2019: East & Southeast Asia](#). Gender-lens financing is a financing strategy that intentionally looks at gender factors in investments to advance women in companies and/or advance companies that promote a positive impact on women.

⁹ Global Impact Investing Network. 2018. [The Landscape for Impact Investing in Southeast Asia](#).

13. Through equity and equity-linked investments, NEP V will primarily seek significant minority and control positions in profitable and growing Indonesian companies (footnote 1) focusing primarily on consumers, financial services, and the digital economy (para. 3). The fund expects to construct a portfolio of 8–10 growth investments (\$40 million–\$100 million each), and 6–8 early-stage investments (generally \$2 million–\$15 million each) for a total of 14–18 companies. The fund may invest up to [This information has been removed as it falls under the exception to disclosure in ADB's Access to Information Policy, para. 17.2.(v)] of committed capital in companies operating in Southeast Asia outside of Indonesia, including the Philippines, Thailand, and Viet Nam (footnote 2). Northstar will leverage its investment experience and domain knowledge to replicate winning business models from one market to another (which may or may not have any linkages to Indonesia). [This information has been removed as it falls under the exception to disclosure in ADB's Access to Information Policy, para. 17.2.(v)].

14. NEP V may also invest up to [This information has been removed as it falls under the exception to disclosure in ADB's Access to Information Policy, para. 17.2.(v)] of commitments in early-stage opportunities (footnote 3). Northstar introduced the digital economy as a new focus segment starting with NEP IV (a 2014 vintage), with a small allocation made towards early-stage investments to access promising start-ups.¹⁰ The flexibility to pursue early-stage deals will allow the fund to access emerging companies in Indonesia and Southeast Asia that are introducing technology to transform existing or develop new business models in financial services, education, agribusiness, and health care. [This information has been removed as it falls under the exception to disclosure in ADB's Access to Information Policy, para. 17.2.(v)].¹¹

C. Ownership, Management, and Governance

15. [This information has been removed as it falls under the exception to disclosure in ADB's Access to Information Policy, para. 17.2.(v)].

16. [This information has been removed as it falls under the exception to disclosure in ADB's Access to Information Policy, para. 17.2.(v)].¹²

17. [This information has been removed as it falls under the exception to disclosure in ADB's Access to Information Policy, para. 17.2.(v)].¹³

18. [This information has been removed as it falls under the exception to disclosure in ADB's Access to Information Policy, para. 17.2.(v)].

19. [This information has been removed as it falls under the exception to disclosure in ADB's Access to Information Policy, para. 17.2.(v)].¹⁴

D. Financial Performance

¹⁰ [This information has been removed as it falls under the exception to disclosure in ADB's Access to Information Policy, para. 17.2.(v)].

¹¹ [This information has been removed as it falls under the exception to disclosure in ADB's Access to Information Policy, para. 17.2.(v)].

¹² [This information has been removed as it falls under the exception to disclosure in ADB's Access to Information Policy, para. 17.2.(v)].

¹³ [This information has been removed as it falls under the exception to disclosure in ADB's Access to Information Policy, para. 17.2.(v)].

¹⁴ [This information has been removed as it falls under the exception to disclosure in ADB's Access to Information Policy, para. 17.2.(v)].

20. [This information has been removed as it falls under the exception to disclosure in ADB's Access to Information Policy, para. 17.2.(v)].

III. THE PROPOSED ADB ASSISTANCE

A. The Assistance

21. ADB intends to make an equity investment of up to \$40 million in NEP V, representing about 8% of the expected fund size. ADB's investment will not exceed 25% of NEP V's total committed capital and will not result in ADB being the single largest investor in NEP V.

B. Financial Analysis of Expected Returns and Assumptions

22. [This information has been removed as it falls under the exception to disclosure in ADB's Access to Information Policy, para. 17.2.(v)].

C. Implementation Arrangements

23. **Exit strategy.** NEP V has a 10-year term from its final closing date subject to two consecutive 1-year extensions with consent of the special committee¹⁵. The exit strategies for NEP V's investments include public offerings on local or global stock exchanges, trade sales of portfolio companies to strategic buyers, and secondary sales to other private equity funds.

24. **Reporting arrangements.** The managing director will be required to provide ADB with unaudited quarterly reports, audited annual reports with financial statements, a fund overview, annual development effectiveness monitoring reports, and an overview of the portfolio. ADB will review this information and follow up with the managing director if more information or clarification is needed. If the information received from the managing director raises issues that could impair the value of ADB's investment in NEP V, ADB could decide to put the fund on a watch list for more frequent and detailed reviews.

D. Value Added by ADB Assistance

25. **Setting standards.** As Northstar's first multilateral bank or development financial institution investor, ADB will obligate Northstar to adopt and operate an ESMS acceptable to ADB. As part of the ESMS, Northstar will be required to hire a technically qualified and experienced E&S personnel to oversee ESMS implementation and build E&S capacity within the Northstar team and in NEP V investee companies. Northstar will also be required to identify ESMS training needs and develop a training plan for its E&S personnel, and the investments and portfolio operations teams. ADB will, at Northstar's request, provide advice on E&S matters, as required during appraisal of target investee companies.

26. **Gender mainstreaming.** Northstar has committed to engaging internally and with portfolio companies on gender issues with the objective of promoting greater gender equality across its operations. ADB is working with Northstar to design a gender action plan that the fund has agreed to implement, including adopting a gender-lens tool for the fund's investment process and a

¹⁵ Details regarding the special committee are in Ownership, Management, and Governance (accessible from the list of linked documents in Appendix 2).

gender diversity strategy at the fund level.¹⁶

27. **Financial additionality.** ADB is providing a \$40 million commitment, which is critical if the fund is to achieve its targeted size of \$500 million. ADB's participation may also mobilize financing from other institutional and private financiers to help bridge any gaps in the fund's capital raise. Further, ADB will seek a seat on the fund's special committee, which will enable ADB to help improve the fund's corporate governance.

E. Risks

28. [This information has been removed as it falls under the exception to disclosure in ADB's Access to Information Policy, para. 17.2.(v)].

29. [This information has been removed as it falls under the exception to disclosure in ADB's Access to Information Policy, para. 17.2.(v)].

30. [This information has been removed as it falls under the exception to disclosure in ADB's Access to Information Policy, para. 17.2.(v)].

31. [This information has been removed as it falls under the exception to disclosure in ADB's Access to Information Policy, para. 17.2.(v)].

32. [This information has been removed as it falls under the exception to disclosure in ADB's Access to Information Policy, para. 17.2.(v)].

33. [This information has been removed as it falls under the exception to disclosure in ADB's Access to Information Policy, para. 17.2.(v)].

34. [This information has been removed as it falls under the exception to disclosure in ADB's Access to Information Policy, para. 17.2.(v)].

IV. DEVELOPMENT IMPACT AND STRATEGIC ALIGNMENT

A. Development Impact, Outcomes, and Outputs

35. **Impact.** Access to growth capital for SMEs and middle-market companies in Indonesia and Southeast Asia (footnotes 1 and 2) improved at a time when capital availability for new investments is constrained and when financial institutions and investors are increasingly risk averse given uncertainties arising from the COVID-19 pandemic.

36. **Outcome.** Availability of financing for enterprises focusing on consumer, financial services, or the digital economy businesses improved.

37. **Outputs.** (i) The NEP V fund is successfully established; (ii) greater gender equality at investee level is supported by NEP V; and (iii) gender equality of NEP V's operations is enhanced.

B. Alignment with ADB Strategy and Operations

38. **Consistency with ADB strategy.** The investment in NEP V aligns with ADB's Strategy

¹⁶ Gender Action Plan (accessible from the list of linked documents in Appendix 2).

2030 (i) operational priority 1 (addressing remaining poverty and reducing inequalities), which mandates ADB to undertake efforts to facilitate job creation, particularly by supporting SMEs, and improve education and training outcomes; and (ii) operational priority 2 (accelerating progress in gender equality), which calls for scaling up support for gender equality and promoting women's empowerment through increasing financial inclusion, supporting women's entrepreneurship, and access to job skills.¹⁷ The project is also aligned with ADB's efforts to address gender gaps in access to financial products, notably supporting the government's recently launched first National Women's Financial Inclusion Strategy (in 2020),¹⁸ which aims to accelerate access to finance for SMEs led by women and notably to enhance women's financial inclusion network.

39. **Consistency with country strategies.** The investment is consistent with ADB's country partnership strategy for Indonesia, 2020–2024, which calls for ADB to use its nonsovereign financing modalities to help catalyze private sector investments.¹⁹

40. **Consistency with sector strategy and relevant ADB operations.** The investment in NEP V is consistent with ADB's Operational Plan for Private Sector Operations 2019–2024, which supports the Private Sector Operations Department's continued efforts to leverage equity investments to support businesses serving the emerging middle class.²⁰

41. **Lessons from previous operations.** A corporate evaluation of ADB's private sector equity investments concluded that ADB should refine its approach to private equity fund investments to ensure their financial sustainability and to appropriately prioritize value addition and development impact.²¹ ADB has conducted extensive due diligence sessions with the Northstar team to gain comfort with the investment team's experience, the fund's investment strategy, and the quality of the fund's deal pipeline to ensure that the developmental merits of the investment are compelling and achievable. Further, through interviews with the management teams of Northstar's portfolio companies, ADB confirmed that the Northstar investment team undertakes a comprehensive multistage underwriting process to ensure that an investment meets the criteria for financial sustainability. These discussions also confirmed that Northstar has been able to tangibly add value to improve the growth prospects of the underlying businesses, which can be further bolstered through adoption of the fund's ESMS. ADB conducted reference calls with past and present investors of Northstar to validate the findings detailed above.

V. POLICY COMPLIANCE

A. Safeguards and Social Dimensions

42. ADB has categorized the investment in compliance with ADB's Safeguard Policy Statement (2009).²²

43. **Category FI.** ADB has assessed the investment's potential E&S impacts, the risks associated with Northstar's existing and likely NEP V future portfolio, and its commitment and capacity for E&S management. Due diligence found that Northstar does not have an ESMS in

¹⁷ ADB. 2018. [Strategy 2030: Achieving a Prosperous, Inclusive, Resilient, and Sustainable Asia and the Pacific](#). Manila.

¹⁸ ADB. 2020. [Report and Recommendation of the President to the Board of Directors: Promoting Innovative Financial Inclusion Program \(Subprogram 1\)](#). Manila.

¹⁹ ADB. 2020. [Indonesia, 2020–2024—Emerging Stronger](#). Manila.

²⁰ ADB. 2019. [Operational Plan for Private Sector Operations 2019–2024](#). Manila.

²¹ Independent Evaluation Department. 2019. [Corporate Evaluation: ADB Private Sector Equity Investments](#). Manila: ADB.

²² ADB. [Safeguard Categories](#).

place that would satisfy ADB's Safeguard Policy Statement E&S policy requirements. Northstar will be required to establish and maintain an ESMS in accordance with ADB's Safeguard Policy Statement requirements and commensurate with the impacts and risks of the fund's potential future investments prior to ADB's first capital call. The ESMS will set out requirements, as applicable, for compliance with national labor laws and measures to comply with the internationally recognized core labor standards, pursuant to ADB's Social Protection Strategy. All proposed NEP V investments will be required to be assessed against the requirements of the ESMS and in accordance with ADB's Safeguard Policy Statement requirements. ADB will reserve the right to be excused from contributing capital to any proposed investment classified as category A for any safeguard classification, category B for indigenous people, and any proposed investment that it assesses as being noncompliant with the ESMS. The ESMS will also contain requirements, as applicable, for information disclosure and consultation with affected people in accordance with ADB requirements. In its regular reporting information to ADB, NEP V will include (i) the nature of its investments and their categorization, (ii) compliance with safeguard and social requirements, and (iii) compliance with applicable national laws and standards.

44. **Effective gender mainstreaming.** The project is classified effective gender mainstreaming. The gender analysis conducted during due diligence reports a corporate environment at Northstar that generally supports the inclusion and productivity of women staff, yet without explicit institutionalized practices regarding gender equality. Northstar commits to implementing measures to promote gender equality and women's empowerment in its business activities following ADB's Policy on Gender and Development (1998). Key features of the gender action plan include (i) developing a gender equality scorecard for the fund's investment screening process, (ii) making recommendations on gender equality practices to the investee companies, (iii) developing a diversity and inclusion policy to apply gender equality principles in the fund's human resource management, and (iv) conducting training sessions for staff on gender equality topics covering both the introduction of a gender-lens investment tool (gender equality scorecard) and gender-sensitive working environment. Northstar will submit periodic reports on implementation of gender measures to ADB.

B. Anticorruption Policy

45. NEP V was advised of ADB's policy of implementing best international practice relating to combating corruption, money laundering, and the financing of terrorism. ADB will ensure that the investment documentation includes appropriate provisions prohibiting corruption, money laundering, and the financing of terrorism; and remedies for ADB in the event of noncompliance.

C. Investment Limitations

46. The proposed equity investment is within the medium-term, country, industry, group, and single exposure limits for nonsovereign investments.

D. Assurances

47. Consistent with the Agreement Establishing the Asian Development Bank (the Charter),²³ ADB will proceed with the assistance upon establishing that the governments of ADB member countries where NEP V will invest using ADB finance have no objection to the proposed assistance to NEP V. ADB will enter into suitable finance documentation, in form and substance satisfactory to ADB, following approval of the proposed assistance by the ADB Board of Directors.

²³ ADB. 1966. [Agreement Establishing the Asian Development Bank](#). Manila.

VI. RECOMMENDATION

48. I am satisfied that the proposed equity investment would comply with the Articles of Agreement of the Asian Development Bank (ADB) and recommend that the Board approve the equity investment of up to \$40,000,000 from ADB's ordinary capital resources in Northstar Equity Partners V Limited, with such terms and conditions as are substantially in accordance with those set forth in this report, and as may be reported to the Board.

Masatsugu Asakawa
President

5 November 2021

DESIGN AND MONITORING FRAMEWORK

[This information has been removed as it falls under the exception to disclosure in ADB's Access to Information Policy, para. 17.2.(v)].

LIST OF LINKED DOCUMENTS

<http://www.adb.org/Documents/RRPs/?id=55214-001-4>

1. Sector Overview
2. [This information has been removed as it falls under the exception to disclosure in ADB's Access to Information Policy, para. 17.2.(v)].
3. Details of Implementation Arrangements
4. Contribution to Strategy 2030 Operational Priorities
5. [This information has been removed as it falls under the exception to disclosure in ADB's Access to Information Policy, para. 17.2.(v)].
6. Country Economic Indicators
7. Summary Poverty Reduction and Social Strategy
8. Environmental and Social Management System: Audit Findings and Details of Arrangement
9. Gender Action Plan

Supplementary Documents

10. [This information has been removed as it falls under the exception to disclosure in ADB's Access to Information Policy, para. 17.2.(v)].