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National Investment and Infrastructure Fund

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Why is in news? National Investment and Infrastructure Fund (NIIF) launches \$600 million India-Japan Fund (IJF) with Government of India and Japan Bank for International Cooperation (JBIC) as anchor investors

The National Investment and Infrastructure Fund (NIIF) has entered into a collaboration with the Japan Bank for International Cooperation (JBIC) to launch a \$600 million India-Japan Fund (IJF) with JBIC and Government of India (GoI) as anchor investors.

This joint initiative **signals a key dimension of collaboration between the two countries** in an area that is a shared priority viz. climate and environment.

The announcement **marks NIIF's first bi-lateral fund**, with the GoI contributing 49% of the target corpus and the remaining 51% contributed by JBIC.

The Fund will be **managed by NIIF Limited (NIIFL) and JBIC IG (a subsidiary of JBIC)** will support NIIFL in promoting Japanese investments in India.

India Japan Fund will focus on **investing in environmental sustainability and low carbon emission strategies** and aims to play the role of being a 'partner of choice' to further enhance Japanese investments into India.

The setting up of India Japan Fund represents a key milestone in the strategic and economic partnership between the Government of Japan and Government of India.

About NIIF:

National Investment and Infrastructure Fund Limited (NIIFL) is an **Government owned company** which maintains **infrastructure investments funds for international and Indian investors anchored** by the Government of India.

The objective behind creating this organisation was to **catalyse capital into the country and support its growth needs across sectors of importance.**

In Union Budget 2015-16, India's then Finance Minister, Arun Jaitley announced the creation of NIIFL.

It was proposed to be established as an Alternative Investment Fund with an inflow of ₹20,000 crore from the Government of India, with their commitment being 49% of the total corpus.

NIIFL was approved in August 2015 by the **Department of Economic Affairs.**

First meeting of its governing council was held in December 2015 further to which it was registered with SEBI as Category II Alternative Investment Fund.

The government of India has anchored the NIIFL funds and is a **49% investor in each of the funds managed by NIIFL.**

NIIF manages three funds: **Master Fund, Fund of Funds and Strategic Fund.**

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The funds were set up to make investments in India by raising capital from domestic and international institutional investors.

Master Fund: The Master Fund is an infrastructure fund with the objective of **primarily investing in operating assets in the core infrastructure sectors** such as roads, ports, airports, power etc.

Fund of Funds: The Fund of Funds anchor and/or invest in funds managed by fund managers who have **good track records of delivering returns to investors**. The Fund invests in several sectors including green energy, social infrastructure, mid-income and affordable housing, technology, and others.

Strategic Opportunities Fund: Invests in **growth equity and provides long-term capital** to strategic and growth-oriented sectors in the country with the aim to build domestic leaders.