

Public

Environmental and Social Data Sheet

Overview

Project Name:	GEMINI FUND
Project Number:	2017-0035
Country:	LIBERIA SIERRA LEONE
Project Description:	The proposed operation consists of an equity participation of up to USD 12.5 m in a USD 50 m target venture capital fund managed by Gemini Capital Partners. The Fund will invest in Liberia and Sierra Leone.
EIA required:	no
Project included in Carbon Footprint Exercise ¹ :	no
(details for projects included are provided in section: "EIB Carbon Footprint Exercise")	

Environmental and Social Assessment

Gemini Capital Partners, L.L.C. ("GCP" or "GC Partners" or "Fund Manager") is an institutional fund manager that is forming Gemini Fund, L.P. ("Gemini Fund" or "Fund") as its anchor fund.

The Fund will not only concentrate on realizing an attractive financial return. It will also aim to make socially and environmentally responsible investments, hereby providing investors with an attractive financial return while at the same time contributing to positive economic and social impact in communities and to environmentally and socially responsible business operations. The Fund Manager will make all reasonable efforts in order to generate jobs, reduce poverty, reduce hunger and reduce inequalities through worker and community empowerment and economic development, all in line with the Sustainable Development Goals (SDGs).

The Fund will focus on specific West African countries: Liberia and Sierra Leone. All investments will be accompanied by hands-on engagement with the management teams to develop the businesses, create the capacity to operate and ensure that objectives are being achieved. The founding partners have business experience and/or networks in the target countries, which they can leverage.

¹ Only projects that meet the scope of the Pilot Exercise, as defined in the EIB draft Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: above 100 000 tons CO₂e/year absolute (gross) or 20 000 tons CO₂e/year relative (net) – both increases and savings.

Luxembourg, 16 May 2019

The Fund's strategy is to invest in and build businesses that will form an ecosystem of companies operating across sectors such as mobile financial services, the agribusiness value chain, healthcare support and light industrial manufacturing. The Fund will finance businesses that it will nurture and grow into significant-sized medium enterprises that provide products to or service the local, regional and global markets by bringing expertise from businesses engaged in similar activities located in the US or Europe to build successful businesses and generate the target impact.

A criterion for investment by the fund will be to analyse an investment for its environmental, social and governance (ESG) standards. If a particular investment falls short of the required stands, but has the potential to have commercial and developmental impact, GCP will make provisions to ensure that all tools are put in place for a particular investment to attain and maintain ESG standards. The Fund will have a dedicated staff member to coordinate ESG practices within the portfolio, monitor ESG compliance and measure and report on ESG progress at the portfolio company and the Fund levels.

Prior to signature, the ESG policy will be further checked and fine-tuned if necessary to fully comply with the Bank's requirements. A policy as negotiated and agreed upon between the Fund and the Bank will be a condition for disbursement.

EIB will receive quarterly updates on the projects in the development, implementation and operation phase as well as more detailed annual portfolio reports. The Fund Manager undertakes to make available any additional information concerning the investee companies and assure that relevant documentation is properly archived. It shall also report on any claim or equivalent communication from any authority concerning any investee company.

Conclusions and Recommendations

The project is not likely to include activities that trigger a full EIA required under the EU Directive 2014/52/EU amending the EIA Directive 2011/92/EU, given the Fund's target sectors.

Most of the proposed investments are not expected to have a significant environmental impact on the surroundings. On the contrary, some of the investments are indirectly addressing environmental issues. Therefore, the investment's results will help among others to allow for a more efficient and reduced use of energy.

The capacity of the Fund Manager to carry out the relevant environmental due diligence on the underlying investment and to maintain and operate an appropriate environmental management system has been assessed and deemed satisfactory.

The Bank will ensure through its legal documentation that the projects financed from the Fund are in eligible areas/sectors for the Bank, do not lead to competitive distortions, and that Bank's requirements on procurement, environment and social matters will be respected. More specifically, the validation of the Promoter's Environmental, Social and Governance Policy by the Bank's Environment, Climate and Social Office is a condition for the legal documentation signature.

Therefore, the project has been classified as acceptable in environmental and social terms for the Bank's financing.