Early Warning System

FMO-55244

GAZELLE FINANCE HOLDING COOPERATIEF

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Quick Facts

Countries	Georgia
Financial Institutions	Netherlands Development Finance Company (FMO)
Status	Approved
Bank Risk Rating	U
Voting Date	2018-09-27
Borrower	Gazelle Fund
Sectors	Finance, Technical Cooperation
Ring Fence	Small & Medium Enterprises
Investment Type(s)	Loan
Investment Amount (USD)	$ 0.09 million
Loan Amount (USD)	$ 0.09 million

Project Description

According to the bank website, "The funding objective is to support Gazelle in vetting its investees by co-funding a Technical Assistance facility together with Triple Jump, called the Business Development Support Facility (“BDS Facility”). This BDS Facility funds three financial products, being i) fund-wide support projects, ii) zero-interest loans, and iii) grants. Prospect portfolio companies and portfolio companies, depending on their size and revenues will receive a zero-interest loan or a TA-grant (only for PCs)."

Investment Description

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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.

- Gazelle Finance Holding (Financial Intermediary) **is owned by** Gazelle Finance (Parent Company)

Private Actor Relationship

There is often limited information publicly available about what development banks are funding through financial intermediaries. In 2021, the Early Warning System partnered with Oxfam International to incorporate information on high-risk projects being funded by financial intermediaries receiving funding from the International Finance Corporation (IFC) and the Dutch Development Bank (FMO).

The information listed below describes the relationship between the different private actors linked to high-risk sectors and subprojects of IFC and FMO's financial intermediary investments and/or the financial intermediary's parent companies made from 2017 through 2020, including any associated ring fences.

The database, however, does not explicitly or implicitly imply that IFC or FMO have material exposure to or are contractually or legally accountable to the sub-projects financed by their financial intermediaries or the financial intermediary's parent companies. It only shows a seemingly financial relationship among the different private actors, the financial intermediaries, and IFC or FMO.

Private Actors Description

FMO’s client is Gazelle Fund (“Gazelle”), a Private Equity Fund with a USD $42 mln commitment, based in Georgia. Gazelle focuses on supporting SMEs in Eastern Europe and provides growth-oriented risk capital to SMEs in the Eurasia region. Gazelle currently operates in Georgia and Armenia and intends to expand further in the Eurasia region during the coming years.

Contact Information

Project contacts are not available at the time of disclosure.

ACCOUNTABILITY MECHANISM OF FMO

Communities who believe they will be negatively affected by a project funded by the Dutch Development Bank (FMO) may be able to file a complaint with the Independent Complaints Mechanism, which is the joint independent accountability mechanism of the Dutch Development Bank (FMO) and the German Investment Corporation (KfW) . A complaint can be filed in writing, by email, post, or online. The complaint can be filed in English or any other language of the complainant. The Independent Complaints Mechanism is comprised of a three-member Independent Expert Panel and it can provide either problem-solving, compliance review or both, in either order. Additional information about this accountability mechanism, including a guide and template for filing a complaint, can be found at: https://www.fmo.nl/independent-complaints-mechanism