

 Early Warning System

FMO-61774  
South Asia Growth Fund III

This project is still under review by the EWS. Project information and/or project analysis may be incomplete.



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### Quick Facts

<b>Countries</b>	India
<b>Financial Institutions</b>	Netherlands Development Finance Company (FMO)
<b>Bank Risk Rating</b>	A
<b>Investment Type(s)</b>	Loan
<b>Investment Amount (USD)</b>	\$ 30.00 million
<b>Loan Amount (USD)</b>	\$ 30.00 million



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## Project Description

### WHO IS OUR PROSPECTIVE CLIENT?

South Asia Growth Fund III, L.P. ("SAGF III"), a limited partnership registered in Canada is a USD 300 mln (target) private equity fund. The Fund's objective is to generate long term capital appreciation through equity and equity-linked investments in companies that seek growth and expansion opportunities addressing climate mitigation, adaptation and circular economy, with a focus on the middle market in India.

### WHAT IS THE FUNDING OBJECTIVE?

SAGF III plans to make 8-10 minority investments in Indian companies that have a green / climate angle in their business. This includes renewable energy value chain, energy efficiency, resource/ efficiency, waste recovery and climate tech / digital solutions.

### WHY DO WE WANT TO FUND THIS PROJECT?

SAGF III will invest in growth companies that are leading in their field in climate solutions in India. FMO has the intention to commit to SAGF III to increase our exposure to green investments in India and contribute to the Sustainable Development Goals 7 (Affordable and Clean Energy) and 8 (Decent Work and Economic Growth).

### ENVIRONMENTAL AND SOCIAL RATIONALE

SAGF III is considered high-risk (A) E&S fund due to the gross risk exposure of certain investments in their pipeline most prominently relating to supply chain risks and health and safety at site. Based on the performance of previous funds, E&S management practices are considered mature and open to continual improvement. E&S and climate are an integral part of the investment process of the fund. The investment team (with support and guidance from the ESG Team) is responsible for identifying and addressing ESG concerns and opportunities in each investment. The SAGF III has a dedicated ESG team with a Head ESG, who will be responsible for facilitating and addressing such concerns/ issues and opportunities for every investment and another ESG manager for day-to-day support. The investment team works closely with the fund's ESG team/manager to identify a suitable technical consultant and design the scope of work. In conjunction with the Head ESG, the investment team will work with the company management to design action plans, which are incorporated in the legal documentation. The fund manager uses a two-pronged approach of preliminary E&S DD and a more detailed E&S DD afterwards considering no red flags identified before. The investment team will also work closely with the investee company to implement the necessary action plan and to support the company on any other E&S matters including capacity building, as needed. The fund manager has a strong E&S track record and is committed to being the best-in-class in their investments.



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**Investment Description**

- Netherlands Development Finance Company (FMO)



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## Contact Information

### ACCESS TO INFORMATION

As part of FMO's ex-ante disclosure (disclosure of transactions before contracting), you can send requests or questions for additional information to: [disclosure@fmo.nl](mailto:disclosure@fmo.nl)

### 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>



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**Other Related Projects**

- IFC-48409 GEF SAGF III