Early Warning System

FMO-62421

E3 Low Carbon Economy Fund I

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Quick Facts

Countries	Kenya
Financial Institutions	Netherlands Development Finance Company (FMO)
Status	Approved
Bank Risk Rating	A
Voting Date	2023-05-12
Borrower	E3 Low Carbon Economy Fund I
Sectors	Agriculture and Forestry, Communications, Energy, Finance, Industry and Trade
Investment Type(s)	Equity
Investment Amount (USD)	$ 10.00 million

Project Description

According to the Bank’s website, E3 Low Carbon Economy Fund I is an investment fund that aims to invest in low carbon decentralized and smart services in Africa. The Fund is formally managed by Lion's Head Global Partners and advised by E3 Capital. FMO has participated in the Fund's first close alongside KFW, Swedfund and Proparco. The Fund is a successor to Energy Access Ventures Fund, to which FMO is a limited partner.

E3 focusses on investing in early-stage companies with high growth potential and an innovative character. Their target companies should have the potential to generate significant economic returns, as well as improve access to basic needs (like energy) or the environmental sustainability of African economies.

Early Warning System Project Analysis

The Fund is assigned to "Category A" since approximately 30% of the portfolio will target infrastructure-type prospects (mini- and metro-grids; distributed energy systems). The mentioned deals may fall into E&S Category B+ due to the potential trigger of IFC PS 5-8 to a limited extent, combined with the challenging country contexts in Sub-Saharan Africa.

Investment Description

- Netherlands Development Finance Company (FMO)

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.

- Lion's Head Global Partners (Financial Intermediary)

Private Actors Description

As stated by Bloomberg, LHGP Asset Management LLP, doing business as Lion's Head Global Partners, provides financial advisory services. The Company offers corporate and strategic activities, financial valuations, due diligence and deal structuring, and market analysis services. Lion's Head Global Partners serves clients in the United Kingdom and Kenya.

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	E3 Capital	Contractor	Finance

Contact Information

No project contact information provided at the time of disclosure.

Financial Intermediary - Lion's Head Global Partners:

Address: Herengracht 449 A, 1017BR Amsterdam, Netherlands
Phone: +44 (0)20 7340 0400
Website: https://www.cygnumcapital.com/?utm_source=lhgp-website&utm_medium=referral&utm_campaign=lhgp-main-page

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

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