Early Warning System

IFC-53051

Launchub III

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Quick Facts

Countries	Bulgaria, Croatia, Greece, North Macedonia, Romania, Serbia, Slovenia
Specific Location	Southeastern Europe and Central and Eastern Europe
Financial Institutions	International Finance Corporation (IFC)
Status	Proposed
Bank Risk Rating	B
Borrower	LAUNCHub Fund III Cooperatief U.A.
Sectors	Finance
Investment Type(s)	Equity
Investment Amount (USD)	$ 14.06 million
Project Cost (USD)	$ 78.74 million

Project Description

According to the Bank’s website, the proposed transaction is an equity investment of up to €12.5 million and a €12.5 million co-investment envelope in LAUNCHub Fund III Cooperatief U.A. (“Fund” or “Launchub III”). The Fund is a closed-end, venture capital fund with a target size of €70 million. The Fund focuses on early-stage equity investments (pre-seed and seed) in technology-forward, AI-enabled solutions companies in Southeastern Europe (“SEE”) and Central and Eastern Europe (“CEE”) looking to expand globally.

The Fund will invest primarily in Southeast Europe, including Bulgaria, Romania, Slovenia, Serbia, Greece, Croatia and North Macedonia, with allocations to other CEE markets.

Early Warning System Project Analysis

The project aims to support non-manufacturing early-stage technology companies (DeepTech & AI, SaaS, HealthTech and Climate Tech) across South Eastern Europe (SEE) and Central and Eastern Europe (CEE). The E&S risks associated with the Fund's investment activities are considered to be low/medium and can be readily addressed through mitigation measures. The E&S risks associated with the fund's portfolios may typically include occupational health and safety, labor and working conditions (including those associated with the gig economy), and waste management, among others.
As such, **the Project has been categorized as FI-2** according to IFC's Sustainability Policy. The Fund will not invest in any coal related activities, the IFC Exclusion List activities, activities related to production and trade of radioactive materials, and projects exposed to higher E&S risk activities including a) involuntary resettlement, b) risk of adverse impacts on indigenous peoples, c) significant risks to or impacts on the environment, community health and safety, biodiversity, cultural heritage, d) significant occupational health and safety risks (e.g. risk of serious injury or fatality to workers), and/or e) significant retrenchment for employees.

Investment Description

- International Finance Corporation (IFC)

The Project is a proposed IFC commitment of up to €12.5 million into the Fund. Additionally, a co-investment envelope of €12.5 million will be implemented. The Fund is a closed-end, venture capital fund with a target size of €70 million.

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.

- LAUNCHub Fund III Management B.V. (Financial Intermediary)

Private Actors Description

Launchub III will be managed by LAUNCHub Fund III Management B.V. (“Fund Manager” or “Launchub”), an appointed alternative investment fund manager (“AIFM”),. The Fund Manager will appoint LAUNCH HUB ADVISORS AD asan advisory company, a third-time appointment. Launchub is managed by six partners, namely Todor Breshkov, Rumen Iliev, Stanislav Sirakov, Irina Dimitrova, Petar Tsachev and Raya Yunakova – all based in Sofia, Bulgaria.

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	LAUNCHub	Parent Company	-

Contact Information

For Inquiries About the Project, Contact:

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ACCESS TO INFORMATION

You can submit a request for information disclosure at: https://disclosures.ifc.org/#/inquiries

If you believe that your request for information from IFC has been unreasonably denied, or that this Policy has been interpreted incorrectly, you can submit a complaint at the link above to IFC's Access to Information Policy Advisor, who reports directly to IFC's Executive Vice President.

ACCOUNTABILITY MECHANISM OF IFC/MIGA

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org You can learn more about the CAO and how to file a complaint at http://www.cao-ombudsman.org