# fund design document

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**Summary**

This document details the Impact Strategy of the Fund and contains the following Sections:

* Key Fund Information
* SECTION A - General description of the Fund
* SECTION B - Description of the Monitoring, Reporting and Verification (MRV) plan and Data Management system
* SECTION C - Governance
* SECTION D - Duration of the Fund

The Fund Manager must complete all sections and maintain all necessary supporting records and evidence.

* + 1. This document (in word) and supporting records and evidence will be subject to third party assessment, along with other required documents listed below:
* [Cover Letter](https://globalgoals.goldstandard.org/t-prereview-cover-letter/)
* [Terms and Conditions](https://globalgoals.goldstandard.org/t-prereview-terms-and-conditions/)

### KEY FUND INFORMATION

|  |  |
| --- | --- |
| Name of the Fund: |  |
| Name of Enterprise managing the Fund: |  |
| Version of Fund-DD: |  |
| Date of Version: |  |
| Host Country (ies) Targeted: |  |
| Fund-level Sustainable Development Impact Goals  *A minimum of 3 SDGs - one of which must be SDG 13* |  |

* 1. GENERAL DESCRIPTION OF THE FUND
     1. Purpose and general description of the Fund

*>> Describe the Fund including as a minimum:*

1. *the SDG Impact Goals that the Fund seeks to achieve*
2. *how the fund will meet the established Impact Goals*
3. *how the fund will monitor progress towards its Impact Goals*
4. *how the fund will adjust in the interim if it is not on track to meet its Impact Goals*
5. *a statement confirming the Fund will focus on positive SDG impacts while addressing any negative impacts that are expected, or may emerge*
   * 1. Classification of Fund Objectives/Target Sectors
        1. Describe the sectors, technologies and/or measures to be employed and/or implemented by the investments in the Fund.

*>> Include all information necessary to understand how the sectors, technologies and/or measures will achieve the Fund’s objectives*

* + - 1. Classification of Fund Impacts

*>> Classify the investor contribution using the* [*Impact Management Project*](https://impactfrontiers.org/wp-content/uploads/2022/05/A-Guide-to-Classifying-the-Impact-of-an-Investment-2021.pdf) *ABC Classification system below. Please refer to the* [*GS4GG Claims Guideline*](https://globalgoals.goldstandard.org/105-par-claims-guidelines/) *which regulates what claims may be made from Certified Funds.*

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Investor Contribution** | **Sectors, technologies and/or measures** | **Act to avoid harm** *(subsuming May and Does Cause Harm)* | **Benefit stakeholders**  *(non-monitored and non-certified SDGs where benefit is expected from the sector/technology etc)* | **Contribute to solutions** *(min. 3 SDGs to be monitored and certified across Fund)* |
| 1 | **Signal that impact matters +**  Engage actively + Grow new/undersupplied capital markets + Provide flexible capital | *Sector/technology Measure 1* | *GS Safeguards eliminate harm* | *SDG (X, n)* | *SDG (X, n)* |
| *Add/delete rows as needed* |  |  |  |
| **2** | **Signal that impact matters +**  **Engage actively + Grow** new/undersupplied capital markets + Provide flexible capital |  |  |  |  |
|  |  |  |  |
| **3** | **Signal that impact matters +**  Engage actively + **Grow new/undersupplied capital markets +** Provide flexible capital |  |  |  |  |
|  |  |  |  |
| **4** | **Signal that impact matters +**  **Engage actively + Grow new/undersupplied capital markets +** Provide flexible capital |  |  |  |  |
|  |  |  |  |
| **5** | **Signal that impact matters +**  Engage actively + **Grow new/undersupplied capital markets + Provide flexible capital** |  |  |  |  |
|  |  |  |  |
| **6** | **Signal that impact matters +**  **Engage actively + Grow new/undersupplied capital markets + Provide flexible capital** |  |  |  |  |
|  |  |  |  |

* + 1. Due diligence processes deployed by the Fund prior to investment decisions

*>> Provide a description of:*

1. *Procedure/process[[1]](#footnote-2) to screen investments for their ability to comply with GS4GG requirements, including:*
2. [*Principles and Requirements*](https://globalgoals.goldstandard.org/100-principles-and-requirements/)
3. *Fund Requirements (including Exclusion Criteria)*
4. [*Safeguarding Requirements*](https://globalgoals.goldstandard.org/standards/103_V1.2_PAR_Safeguarding-Principles-Requirements.pdf)
5. [*Stakeholder Consultation Requirements*](https://globalgoals.goldstandard.org/standards/102G_V1.2_PAR_Stakeholder-Consultation-and-engagement-Guidelines.pdf)
6. *Activity Requirements (Renewable Energy, Community Services and Land Use and Forests, as applicable)*
7. [*Methodology Eligibility Requirements*](https://globalgoals.goldstandard.org/400-sdg-impact-quantification/)
8. *Procedure/process to screen investments to help achieve Impact Goals and identify baselines (including how ex-ante assessments of anticipated impacts will be conducted while discussing risk and mitigation strategies to avoid missing impact targets or overstating planned impacts)*
9. *Procedure/process for assessing potential investees for good governance processes that include transparency, inclusiveness, gender sensitivity, as well as those that are further outlined in the* [*GS4GG Safeguarding Requirements*](https://globalgoals.goldstandard.org/standards/103_V1.2_PAR_Safeguarding-Principles-Requirements.pdf)
10. *Procedure/process to identify any need for Technical Assistance, including (but not limited to):*
11. *carrying out stakeholder consultations as per GS4GG Requirements*
12. *complying with GS4GG Safeguarding Principles, including governance*
13. *supplying the necessary data to support impact assessment as per GS4GG Requirements (which may require a new methodology approval)*
14. *Procedure/process to address any initial non-compliance with GS4GG Safeguarding Principles, including a timebound plan for closing gaps, with milestones to be met as interim goals and the actions to be taken if the gaps are not closed within the timeframes developed* 
    * 1. Physical/ Geographical boundary of the Fund

*>> Provide details of the defined boundary of the Fund in terms of a geographical area e.g. municipality, region within a country, country or several countries within which all investments to be included in the fund will be implemented.*

* + 1. Exit Strategy

>> *Detail the exit strategies for investments, with particular attention to ongoing contribution to Sustainable Development post exit.  The exit plans shall include:*

1. *transition strategies (including time to exit)*
2. *details of how a “Do No Harm” approach will be applied and assessed across all impacts, not only those that are intended impacts of the Fund*
3. *for investments transferred to new/other Funds, a caveat that ongoing impact assessment must be carried out*

SECTION B. DESCRIPTION OF THE MONITORING, REPORTING AND VERIFICATION (MRV) PLAN AND DATA MANAGEMENT SYSTEM

*>> Provide a detailed description of the operational and Management system of the fund including*

1. *the impact assessment process that will occur throughout the life of the Fund*
2. *details of data aggregation and QA/QC processes (if any) for the monitored data from Investments.*
3. *Records and documentation control process for each investment under the Fund;*
4. *Frequency of reporting Fund level outcomes (note: beginning when more than 10% of planned assets for a tranche or full fund (lesser of the two) are invested).*
5. *Roles and responsibilities of personnel involved, noting Fund Manager (s) are responsible for ensuring that Investees comply with GS4GG rules*
6. *disclosure of any performance incentives offered that are linked to meeting the Impact Goals of the Fund*

Section C. GOVERNANCE

*>>*

1. *Describe how the Fund’s governing bodies (e.g. the board and/or the investment committee):*
2. *Have competence in sustainable development issues and impact management*
3. *Prioritise gender and other dimensions of diversity, as demonstrated by composition, culture and including different voices/perspectives in decision making*
4. *Provide active oversight*
5. *Hold the CEO/Managing Director accountable for Fund operations complying with the GS Fund Requirements, in particular policies, processes and disclosures in 2.1.2 and 2.1.4*
6. *Meet the national minimum corporate governance standards, as appropriate*
7. *Describe how the Enterprise and not just the Fund will follow* [*GS4GG Safeguarding Principles and Requirements*](https://globalgoals.goldstandard.org/standards/103_V1.2_PAR_Safeguarding-Principles-Requirements.pdf) *within 2 years of Design Certification, and*
8. *Provide evidence of a public statement (e.g. a webpage) about the Enterprise’s intent to establish the Fund and its SDG Impact Goals*

SECTION D. DURATION OF THE FUND

D.1. Date of first submission of Fund to Gold Standard

*>> State the date when document was first submitted to Gold Standard for Fund Design Certification*

D.2. Duration of the Fund

*>> State the total duration of the proposed Fund in years*

### Appendix 1 - Contact information of Fund Manager (s)

|  |  |
| --- | --- |
| Responsible person/ entity |  |
| Organisation |  |
| Street/P.O. Box |  |
| Building |  |
| City |  |
| State/Region |  |
| Postcode |  |
| Country |  |
| Telephone |  |
| E-mail |  |
| Website |  |
| Contact person |  |
| Title |  |

### Appendix 2 - Sample Table

|  |  |  |
| --- | --- | --- |
| Sector: | RE/EE/Waste: |  |
| Technology: | Hydro/Wind/ etc.: |  |
| Eligibility Criteria | **How projects can demonstrate compliance with the criteria** | **Evidence of compliance that can be provided** |
| 1. e.g. Projects from waste management sector do not divert resources from other uses | e.g. Explain how the waste type handled by project was disposed in pre-project scenario | e.g. Third party reports etc. |
| (add rows as necessary) |  |  |
| Sector: | RE/EE/Waste: |  |
| Technology: | Hydro/Wind/ etc.: |  |

Revision History

|  |  |  |
| --- | --- | --- |
| Version | Date | Remarks |
| 1.1 | 15 Jul 2022 | Version following first revision of Fund requirements: Editorials, including clarification of the ABC approach |
| 1.0 | 20 May 2022 | Initial adoption |

1. Please refer to Appendix 2 for a sample table that may be used to demonstrate compliance at investment level [↑](#footnote-ref-2)