# Equity fund design document

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###### CONTACT DETAILS

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### SUMMARY

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

* Key Fund Information
* SECTION A – Governance
* SECTION B - General description of the Fund
* SECTION C – Oversight Approach
* SECTION D - Duration of the Fund

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

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 the Fund’s governing body: |  |
| Name of the  Fund’s parent and/or holding company: |  |
| 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. GOVERNANCE OF THE EQUITY INSTRUMENT

*>>*

1. *Describe and provide evidence (through Board/committee minutes or similar) on how the Fund’s governing bodies:*
2. *Integrate sustainability and positive contributions to the SDGs into its purpose and decision-making practices.*
3. *Oversee the Fund’s responsible business and impact practices and performance.*
4. *Disclose the Fund’s principal sustainability and responsible business practices.*
5. *Disclose the name of the Fund’s parent and/or holding company and:*
   1. *Disclose the principal sustainability and responsible business practices they adhere to*
   2. *Describe the extent of alignment between its sustainability and responsible business practices and those of the Fund*
6. *Provide evidence of a public statement (e.g. a webpage) about the intent to establish the Fund and its SDG Impact Goals*
7. GENERAL DESCRIPTION OF THE FUND
8. General description of the fund
   1. Fund Impact Strategy

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

1. *The SDG Impact Goals that the Fund seeks to achieve*
2. *how these SDG Impact Goals fit in the context of its Impact Strategy*
3. *the processes in place to review and refine its Impact Strategy and SDG Impact Goals*
4. *How the Fund will promote alignment of interests among partners, Investees other key Stakeholders*
   1. Classification of Fund Objectives/Target Sectors
      1. Describe the sectors, technologies and/or measures to be employed and/or implemented by the Fund Investments

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

* + 1. Optional Classification of Fund Impacts

*>> If desired, classify the identified material impacts in alignment with the* [*IMP 5 dimensions of Impact. (Optional)*](https://impactfrontiers.org/norms/five-dimensions-of-impact/#five-dimension)

* 1. Physical/ Geographical boundary of the Fund

*>> Define the 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. MANAGEMENT APPROACH
   1. Alignment of Fund Management Systems with Impact Strategy

*>> Provide a description of how the Fund Manager will align its oversight systems and decision-making with its Impact Strategy and SDG Impact Goals, including*

1. *Details of the Fund policies and procedures that exemplify how responsible business practices (including the full Rights of Children via reference to the* [*Children’s Rights and Business Principles*](https://www.unicef.org/documents/childrens-rights-and-business-principles)*) are embedded into the Fund.*
2. *Procedure to identify the necessary resources and processes to be put in place to ensure Fund investments are in compliance with GS4GG Principles and Requirements*
3. *Plans to develop staff capacity and integrate accountability*
4. *How staff incentives will be aligned to Fund Impact and Investment Strategy*
   1. Description of the Monitoring, Reporting and Data Oversight System

*>> Provide a detailed description of the operational and Oversight system of the Fund including*

1. *the impact assessment process that will occur throughout the life of the Fund including:*
   1. *Process for monitoring positive and negative impacts for each investment against a defined baseline*
2. *details of data aggregation and QA/QC processes (if any) for the monitored data from investments*
3. *Frequency of reporting Fund outcomes (the same as financial reporting)*
4. *Roles and responsibilities of personnel involved, noting the Fund Manager is responsible for ensuring that investments comply with GS4GG rules*
5. *Process of continuous improvement for capturing results and lessons learned to influence decision-making and ongoing impact management activities*
6. *Control process for retaining records and documentation for each considered investments under the Fund (including records with rationale of decisions made).*
   1. Selection and Structure of Investments

*>> Provide a description of:*

1. *Procedure/process[[1]](#footnote-1) to screen investments in line with the Fund Impact strategy, SDG Impact Goals, exclusion/eligibility list and for their ability to comply with GS4GG requirements, including:*
2. [*Principles and Requirements*](https://globalgoals.goldstandard.org/100-principles-and-requirements/)
3. *GS4GG Fund Requirements (including Exclusion/Eligibility Criteria)*
4. [*Safeguarding Principles and 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 to assess positive and negative ex-ante impacts of potential investments from a quantified baseline including:*
   1. *Details of how this information will be used in the investment decision-making process*
   2. *Discussing risk and mitigation strategies to avoid missing impact targets or overstating planned impacts.*
9. *Procedure/process to structure Fund investments in alignment with achieving its SDG Impact Goals and optimise Impact, including* 
   1. *Documented terms with investments that align with achievement of Fund SDG Impact Goals*
   2. *Documentation of Free Prior and Informed Consent (FPIC) if the Fund receives Gold Standard certified carbon credits from investments.*
   3. *How any initial non-compliance with GS4GG Requirements post investment decision will be addressed if there is a material risk of continued non-compliance.*
   4. Exit Strategy

>> *Detail the Fund’s exit strategy with particular attention to ongoing contribution to Sustainable Development post exit.  The exit plans shall include:*

1. *details of how a “Do No Harm” approach will be applied*
2. DURATION OF THE FUND
   1. Date of first submission of the Fund to Gold Standard

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

* 1. Duration of the Fund

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

### APPENDIX 1 - CONTACT INFORMATION OF FUND MANAGER

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

Revision History

|  |  |  |
| --- | --- | --- |
| Version | Date | Remarks |
| 1.2 | 8 May 2024 | Version following second revision of Fund Requirements: Editorials, include removal of ABC clarification (into document table) as a mandatory requirement and altering the structure of the document to better align with fund structure |
| 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 project/activity level [↑](#footnote-ref-1)