



Luxembourg, 15.12.2021

Environmental and Social Data Sheet

Overview

Project Name:	AFRIGREEN DEBT FUND
Project Number:	2021-0485
Country:	Regional – Africa
Project Description:	Debt fund to finance companies and assets that contribute to improved access to electricity using solar PV in Sub-Saharan Africa.
EIA required:	Multi-investment scheme
Project included in Carbon Footprint Exercise ¹ :	no
(details for projects included are provided in section: “EIB Carbon Footprint Exercise”)	

Environmental and Social Assessment

Environmental Assessment

The EIB intervention in this project consists of an investment into a fund focused on supporting mainly solar photovoltaic (PV) projects in the commercial and industrial (C&I) sectors, located in Western and Central Africa.

Considering the scope of the investments, the projects financed by the Fund are expected to have significant positive social impact, with environmental benefits through supporting sound on- and off-grid hybrid solar PV projects, i.e. commercial and industrial (C&I) rooftop- and ground-mounted solar PV systems with minimal negative social and environmental impact. The Fund may also invest in biomass projects for C&I clients.

If the projects to be financed by the Fund were located within the EU they would likely fall under Annex II of Directive 2014/52/EU amending the EIA Directive 2011/92/EU, leaving it to the national competent authority to determine according to Annex III of said Directive whether an environmental impact assessment is required. For investments subject to an Environmental and Social Impact Assessment (ESIA) or biodiversity assessment as defined by national legislation, the Fund Manager shall ensure that the Environmental and Social Impact Assessment is carried out and that the public consultation is undertaken in accordance with national legislation and in line with the EIA Directive 2014/52/EU and the EIB E&S standards.

The fund manager has dedicated sector specialists, well aware of typical environmental and social (E&S) issues in Africa, applying the best international practice in their appraisal process.

As part of its overall investment appraisal process, the fund manager will perform environmental and social due diligence, i.e. E&S questionnaire and scoring tool, on-site checks, confirmation of the E&S risk assessment etc., to ensure that potential risks and appropriate prevention,

¹ Only projects that meet the scope of the Carbon Footprint Exercise, as defined in the EIB Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: 20,000 tonnes CO₂e/year absolute (gross) or 20,000 tonnes CO₂e/year relative (net) – both increases and savings.



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mitigation and compensation measures are identified through environmental and social impact assessments, including satisfactory and meaningful public consultation and participation, when relevant. Appropriate E&S conditions are included by the Fund in its finance contracts with the borrowers.

The fund manager is currently developing an environmental and social management system (ESMS). The Bank will ensure that the ESMS will include among others, an environmental and social action plan, a stakeholders engagement plan, a social grievance mechanism, and a monitoring and waste management plan for the electrical and electronic equipment deployed by the supported investments, which is to be recycled after decommissioning.

Projects with significant negative impact on areas with high biodiversity value or nature conservation will not be eligible. If a project is likely to affect a nature conservation zone or other sensitive area as defined in national or international environmental legislation, the fund manager shall obtain confirmation from the competent nature conservation authority – following a biodiversity assessment in line with EIB requirements – that the scheme does not have significant negative impacts on any site of nature conservation importance.

The Fund investments are estimated to save around 91 700 tonnes of CO₂ equivalent emissions per year.

Social Assessment, where applicable

The Bank will ensure that the fund manager's social requirements include social assessment and development of a management plan for mitigation and remediation of social impacts (as applicable), compliance with national laws and the principles and standards of ILO conventions², in particular prohibition of child or bonded labour, non-discrimination and equal opportunity of employment, occupational health and safety, as well as the EIB E&S performance standards.

Conclusions and Recommendations

The assessment procedures carried out by the fund manager for the underlying investments, will appropriately address environmental and social issues to ensure compliance with the Bank's E&S standards.

As a condition prior to first closing, the fund manager will align its ESMS with EIB E&S Standards, to the satisfaction of the Bank.

E&S undertakings:

- The fund manager shall collect and publish the ESIA required studies on its web site for access to stakeholders, in compliance with the EIB's Transparency Policy, as amended from time to time and published on the EIB's website (www.eib.org);
- The fund manager shall incorporate the Bank's environmental and social eligibility criteria in its Investment Guidelines and include relevant E&S conditions in its finance contracts;
- In addition to the normal reporting obligations of the Fund to all investors, the fund manager shall have an obligation to provide to the Bank all information necessary to verify compliance with EIB E&S standards.

Under these conditions, the project is considered acceptable for the Bank with regard to the environmental and social terms.

² International Labour Organization