



Luxembourg, 14.12.2022

Environmental and Social Data Sheet

Overview

Project Name: Acre Export Finance
 Project Number: 2022-0159
 Country: Regional - Africa

Project Description: Acre Export Finance Fund I (“the Fund”) is a debt fund with a target size of USD 200m aiming to provide unsecured loans to support the implementation of infrastructure assets across Africa with a focus in Sub-Saharan Africa (SSA).

EIA required: Multi-scheme project. Depending on the technical characteristics and the likely significant environmental and social impacts of the investments financed by the Fund, sub-projects may be subject to an ESIA.

Project included in Carbon Footprint Exercise¹: No
 (details for projects included are provided in section: “EIB Carbon Footprint Exercise”)

Environmental and Social Assessment

Environmental Assessment

The proposed Fund will invest in the construction of greenfield infrastructure assets across Africa with a particular focus on Sub-Saharan Africa. The Fund's pipeline includes both brownfield and greenfield sub-projects in diversified infra sub-sectors such as renewable energy and energy efficiency, health, food, water, sustainable cities and green transportation. Such infrastructure sub-projects are usually characterised by a significant footprint and may involve impacts on biodiversity, indigenous peoples, vulnerable communities, involuntary land acquisition and/or resettlement, community and occupational health and safety among others.

The Fund will be required to screen and assess all sub-projects against the EIB List of Excluded activities, national E&S laws and the EIB Environmental and Social Standards.

The main ECS risks and impacts of this project relate to the ability of the Fund Manager to conduct adequate E&S due diligence and monitoring to allow it to identify and manage the ECS risks associated with the activities of the portfolio companies and/or sub-projects in line with the EIB's policy requirements. The Fund has an Environmental Management System (ESMS) that is applicable to all of the Fund Manager's investments. The ESMS includes a detailed procedure for identifying, assessing and managing the E&S risks and impacts associated with its investments throughout the

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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investment cycle. One of the Partners is responsible for overall implementation of the ESMS, supported by a dedicated E&S Manager who is responsible for E&S management across the organisation and supports the portfolio team on a day-to-day basis.

All projects: (i) are screened against the Fund's List of Excluded Activities (which is currently being updated to be compatible with the EIB Exclusion List); (ii) are reviewed and evaluated against the IFC Performance Standards, including relevant EHS Guidelines (which are materially consistent with the EIB E&S Standards; and (iii) comply with the Core Labour Standards of the ILO. Action plans are developed to close gaps identified during the due diligence phase and the implementation of these plans is monitored by the Fund's E&S Manager.

The entire fund is expected to be in line with the EIB Paris Alignment requirements. For any sub-project where the vulnerability to climate change has been identified as high, the Fund will require the sub-project to carry out a climate risk vulnerability assessment in line with Standard 5 of the EIB E&S Standards.

Based on the information available to the EIB, the Fund Manager is considered to have adequate procedures and resources to manage the ECS risks and impacts associated with this Fund, noting that the Fund Manager also relies on the ECS due diligence carried out by other DFIs including Export Credit Agencies. To complement its ESMS, the Fund Manager will be required to establish and implement a procedure for external communication allowing for receiving and registering communication from the public; screening and assessing the issues raised and determining ways to address them.

For high-risk projects (i.e. Category A) heightened procedures will be required through the contracting of qualified external consultants (by the Fund Manager or the consortium of lenders) to undertake ECS due diligence, including outline of action plans and monitoring provisions to be included in the legal documentation when applicable. The respective action plan implementation will be monitored by external consultants on a yearly basis. The Fund Manager will establish a limited partner E&S sub-committee to advise the Fund on ECS matters, including on ECS risks and impacts for high-risk investments as well as any amendments to the ESMS as required. The EIB will also review the E&S due diligence reports for the first three high-risk investments (i.e. Category A).

As part of its ESMS, the Fund Manager will include the following requirements:

- The EIB Hydropower Guidelines (only relevant for hydropower projects);
- The OECD Due Diligence Guidance for Responsible Supply Chains from Conflict-affected areas and high risk-areas;
- The UN Guiding Principle on Business and Human Rights;
- The Voluntary Guidelines on responsible Governance of Tenure of Land, Fisheries and Forests as related to land tenure and land use.

Conclusions and Recommendations

The Fund Manager will:

- Enhance its ESMS in order to fully reflect the requirements spelled out above for due diligence, monitoring and reporting processes and procedures, as well as enhancement of relevant environment, climate and social KPIs and impact indicators;



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- Establish at Fund level and implement a procedure for external communication allowing for receiving and reviewing inquiries or complaints from any interested party regarding ECS impacts and risks of the Fund's underlying operations;
- Establish a limited partner E&S sub-committee to advise the Fund on ECS matters, including on ECS risks and impacts for high-risk investments as well as any amendments to the ESMS as required;
- Disclose its E&S Policy and Summary ESMS on its website including its Category A high-risk sub-projects;
- Share with the EIB the Environmental and Social Due Diligence (ESDD) for the first three Category A sub-projects prior to approval by the Investment Committee;
- Prepare and submit to the EIB, on an annual basis, an ECS performance report on the Fund itself and on the underlying sub-projects in which it has invested.

With these conditions in place the Fund is acceptable for EIB support in E&S terms.