

## Environmental and Social Data Sheet

### Overview

Project Name:	AGRI-VIE FUND II
Project Number:	2014-0272
Country:	Regional: Sub-Saharan Africa
Project Description:	Equity investment in a fund targeting investments in food and agribusiness sector and value chain in South Saharan Africa.
EIA required:	Multi-investment Fund. EIA may be required for selected investments
Project included in Carbon Footprint Exercise <sup>1</sup> :	No

### Summary of Environmental and Social Assessment, including key issues and overall conclusion and recommendation

EIB has assessed the Fund's expected portfolio and sectors of investment. The applicable environmental and social requirements are determined as (i) the EIB's lists of excluded and sensitive/restricted activities, (ii) the applicable national environmental and social laws and regulations and (iii) the EIB Environmental and Social Standards.

The Bank's review also covered the capacity of the Fund Manager to manage environmental and social risks and impacts and to maintain a Social and Environmental Management System (SEMS).

The Fund has a documented Social and Environmental Management System (SEMS). It defines the Fund's sustainable development principles, commitments and external references applied to its investments and management of Portfolio Companies. In addition, the Fund has a set of Social and Environmental Governance Procedures to be followed in its due diligence and monitoring procedures.

The SEMS and the underlying due diligence and monitoring procedures are aligned with the IFC and EIB Policies and Performance Standards on Social and Environmental Sustainability. The SEMS includes a commitment to allocate appropriate resources at the Fund level so as to ensure the proper execution of the system at all stages: from initial project identification, to due diligence, implementation, operation and monitoring.

At individual investment level, the Fund will require its Portfolio Companies to establish environmental and social policies and to adopt the necessary measures to ensure that these policies and standards are implemented effectively and in a timely fashion. An annual environmental performance report is required from all Portfolio Companies.

<sup>1</sup> Only projects that meet the scope of the Pilot Exercise, as defined in the EIB draft Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: above 100,000 tons CO<sub>2</sub>e/year absolute (gross) or 20,000 tons CO<sub>2</sub>e/year relative (net) – both increases and savings.



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The Fund will adopt a set of environmental and social key performance indicators in order to assess its portfolio companies, and it will undertake appropriate follow-up and monitoring of the performance and development outcomes of companies throughout the investment holding period.

The Fund's excluded investment list is consistent with the exclusions of the EIB.

Based on the assessment, the Fund Manager will be required to (i) identify responsible, qualified persons to manage and implement the SEMS, (ii) commit to implement the SEMS and ensure when it makes investments that the underlying Portfolio Company or project will operate, and will be operated in accordance with all applicable national laws, the IFC Performance Standards and/or the EIB Environmental and Social Standards as well as the World Bank Group Environmental Health and Safety Guidelines. The EIB will review the implementation and performance of the Fund's SEMS for the first three projects subsequent to EIB's investment, to ensure that the Fund's SEMS is applied consistently.

With the above mentioned conditions to be included in the Fund's legal documentation, the Fund is acceptable to the EIB in environmental and social terms.

The experience on environmental and social governance with the Fund's predecessor, Agri-Vie Fund I, has been satisfactory.

### **Estimate of Carbon Footprint Exercise**

As a Fund, the project is not included in the annual Carbon Footprint accounting exercise of the EIB. Given the foreseen size and the type of agribusiness investments targeted by the fund, the individual projects will not exceed the threshold for the EIB carbon footprint accounting.

However, in some projects the Fund Manager may consider GHG savings as a performance indicator for the investment, meriting discussion of this important benefit of the Fund.