

Environmental and Social Data Sheet

Overview

Project Name:	TLCOM TIDE AFRICA FUND
Project Number:	2016-0092
Country:	Regional East Africa & Regional West Africa
Project Description:	The project consists of an equity participation in TLcom TIDE Africa Fund, a USD 100 m regional venture capital fund focusing on innovative technology-based African SMEs, across all stages of the venture capital cycle.
EIA required:	no
Project included in Carbon Footprint Exercise ¹ :	no

Environmental and Social Assessment

The Fund has an ESG policy that appears acceptable but will be further checked regarding full compliance with the Bank requirements. A policy to the Bank's satisfaction will be a condition for disbursement.

The main steps of the Fund's investment decision making are:

1. Pre-feasibility;
2. Investment Committee (IC) Sighting approval (approval to continue to feasibility);
3. Due diligence;
4. IC Interim decision;
5. IC Final decision;
6. Advisory Committee (AC) no-objection for the IC to finance a project;
7. Investment

Regarding E&S issues, the EIB influence is possible at two of the steps above where they must be addressed: at Step 2. A first report of the investment allows EIB to communicate E&S concerns to the Fund manager and to provide guidance; at Step 6. EIB will be involved in the Advisory Committee to which an appraisal report of the project will be submitted.

Besides intervention at the decision process, EIB will receive quarterly updates on the projects in the development, implementation and operation phase as well as more detailed annual portfolio reports. The fund manager undertakes to make available any additional information concerning the investee companies and assure that relevant documentation is kept. He shall also report on any claim or equivalent communication from any Authority concerning any investee company.

The Bank will ensure through its finance contract that the projects financed from the Fund are in eligible areas/sectors for the Bank, do not lead to competitive distortions, and that Bank's requirements on procurement, environment and social matters will be respected.

¹ 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 CO2e/year absolute (gross) or 20,000 tons CO2e/year relative (net) – both increases and savings.

In all the investments, the Fund undertakes that it will not invest in companies which do not comply with all the environmental, social, procurement requirements and provisions as laid out in the EIB side-letter.

The Fund will require investees to periodically monitor and report on a set of Environmental, Social and Governance (ESG) compliance metrics, with a particular focus on corporate governance processes (completion of board membership, adequate decision processes, use of board committees etc.), on social development impact strictly related to business performance (e.g. inclusion impact in low income segment business models, HR practices, job creation progress) and on any environmental impact related to investments conducted by the Fund.

Conclusions and Recommendations

If located in Europe, the project activities would not fall under Annexes I and II of the EU Directive 2011/92/EC as amended, and would therefore not be subject to mandatory Environmental Impact Assessments.

The proposed investments will take place to a large extent inside buildings at existing RDI facilities already being used for similar activities, and are not expected to have a significant environmental impact on the surroundings. On the contrary, some of the RDI projects are addressing specific environmental issues. Therefore, the RDI results will help among others to allow for a more efficient and reduced use of energy and a better integration of alternative energy sources into the current power distribution network.

The Bank will ensure through its finance contract that the projects financed from the Fund are in eligible areas/sectors for the Bank, do not lead to competitive distortions, and that Bank's requirements on procurement, environment and social matters will be respected.

Therefore, the project has been classified as acceptable in environmental terms for the Bank's financing.