

Luxembourg, 18 July 2017

Environmental and Social Data Sheet

Overview

Project Name: PARTECH AFRICA VENTURE CAPITAL FUND
Project Number: 2016-0915
Country: Regional - Africa
Project Description: The proposed operation consists of an equity participation of up to EUR 10m in Partech Africa Venture Capital Fund, a EUR 100m target venture capital fund focusing on SMEs with a high growth potential (start-ups) and active in the digital and technology sectors in Sub-Saharan Africa.

EIA required: no

Project included in Carbon Footprint Exercise¹: no

Environmental and Social Assessment

The Fund will invest in companies which leverage affordable and highly penetrated ICT (mainly mobile) and innovative business models to accelerate access of low income demand in vastly underserved vertical markets such as retail trade, health and financial services. The Fund will target primarily start-up companies delivering services over the internet and mobile technologies. Most activities conducted as part of the investment are Research, Development and Innovation (RDI) activities which will be carried out in existing facilities.

The Fund has an ESG policy requiring investees, among others, 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.

Prior to signature, the ESG policy will be further checked and fine-tuned to fully comply with the Bank's requirements. A policy as negotiated and agreed upon between Partech Partners and the Bank's will be a condition for disbursement.

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.

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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.

Conclusions and Recommendations

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

Most of the proposed investments will take place 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. More specifically, the validation of the Promoter's Environmental, Social and Governance Policy by the Bank's Environment, Climate and Social Office is a condition for the finance contract signature.

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