

Environmental and Social Data Sheet

Overview

Project Name:	AFRICA TECHNOLOGY VENTURES
Project Number:	2016-0758
Country:	REGIONAL – EAST AFRICA
Project Description:	The project consists of an equity participation in AFRICA TECHNOLOGY VENTURES, a USD 50 m regional venture capital fund focusing on high potential innovative technology-based startups in Sub-Saharan Africa.
EIA required:	no
Project included in Carbon Footprint Exercise ¹ :	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 the low income segment in vastly underserved vertical markets such as agriculture, education, employment, energy, logistics, healthcare and financial services. The Fund will target primarily start-up companies delivering essential products services over the internet and mobile technologies. Most activities conducted as part of the investment are scaling up operations, Research, Development and Innovation (RDI) activities which will be carried out in existing facilities. The RDI results will help, among others, to allow for a more efficient use of energy and a better integration of alternative energy sources into the current power distribution network. The scaling up of operations will ensure that the essential products and services are accessible and consumed by a large group of people which are currently underserved. Furthermore it will create employment.

The Africa Technology Ventures will develop an Environmental, Social and Governance (ESG) policy in compliance with the Bank's policy. Acceptance of this ESG policy by the Bank will be a condition for signature. This ESG policy will require 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.

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.

Luxembourg, 15 March 2018

Furthermore, EIB will receive at least annual updates on the projects in the development, implementation and operation phase. 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 2014/52/EU amending the EIA Directive 2011/92/EU, and would therefore not be subject to mandatory Environmental Impact Assessments.

Most of the proposed investments will take place at existing RDI facilities already authorised for similar activities, and are not expected to have a significant negative environmental impact on the surroundings. On the contrary, the RDI projects are expected to have a positive impact on both environmental and social level.

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.

In light of the above, the overall environmental and social rating of the project is therefore considered to be acceptable for the Bank's financing.

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