

Public

Environmental and Social Data Sheet

Overview

Project Name:	JANNGO CAPITAL STARTUP FUND
Project Number:	2018-0892
Country:	Regional - West Africa
Project Description:	The proposed operation consists of an equity participation of up to EUR 15m in a venture capital fund targeting African technology startups. The Fund will have a primary focus on West Africa.
African tech startups.	
EIA required:	no
Project included in Carbon Footprint Exercise ¹ :	no

Environmental and Social Assessment

The Janngo Capital Startup Fund (the “Fund” or “Janngo”), a new venture capital fund targeting start-ups in the digital and technology sectors in Sub-Saharan Africa with a strong focus on West Africa. The ambition of Janngo is to build, grow and invest in pan-African digital champions with proven business models and inclusive social impact, building digital ecosystems in high growth sectors. To achieve those goals, the Fund will have an active role supporting its investees by providing business support and digital platforms to SMEs.

The Fund targets to raise EUR 60m and plans to hold a first close of at least EUR 30 m in Q4 2019. EIB would participate in the first closing among the leading investors in the Fund. The Fund will be managed by a first-time team made of experienced professionals who has however launched a pilot fund and worked previously together. A full-time ESG Officer will be hired prior to the first close.

For every investment, Janngo prioritizes the early injection of their philosophy and culture around the areas of governance, the ESG and impact priorities, controls and cost efficiency. Janngo also institutes a framework for close performance monitoring and support.

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, 14 November 2019

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 Janngo and the Bank will be a condition for disbursement.

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. The RDI results will help for example 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 and social terms for the Bank's financing.