



I&P Afrique Entrepreneurs 1

Annual ESG and Impact Report

June 2023



Foreword

In 2023, the African continent continues to face a complex and challenging environment. While the COVID crisis is now behind us, African countries have experienced macroeconomic challenges such as inflation, rising interest rates in the US and Europe, and a debt crisis. There are also political challenges, including the impact of the Ukrainian crisis and the ongoing deterioration of the security and political situation in the Sahel region.

In this context, we are more convinced than ever that the private sector, particularly African SMEs, has a crucial role to play in addressing these challenges. IPAE is now in the final months of its life. Since 2012, the fund has invested in 29 companies, more than 80% of which are located in the least developed and fragile countries. These companies continue to demonstrate the role that SMEs play in promoting an inclusive growth, thanks in particular to the jobs they create (84% growth in direct employment since investment), the products and services they provide (74% of them address SDG issues), and their impact on gender-related themes (67% of the companies meet the criteria of the 2X Gender Challenge).

Much remains to be done, however. We hope that the ESG performance and impact of each investee company will continue to endure and improve even after our exit.



Sébastien BOYÉ
Co-CEO



Jérémy HAJDENBERG
Co-CEO



A word from the team

When we analyze a new investment, one of the most important exercises we undertake is defining the investment thesis. This involves defining the following three elements: why this investment is of interest to IPAE, how IPAE can achieve financial profitability through this investment, and how IPAE can support the company and the entrepreneur in creating value and maximizing it. The main objective is, of course, to enable investment performance.

Similarly, we also define the impact thesis for each investment: the impacts that make this investment of interest to IPAE, how IPAE can achieve its impact objectives through this investment, and how IPAE can support the company and the entrepreneur in creating impact, seizing opportunities, and maximizing it.

Taking our investment in Ultramaille in Madagascar as an example, our interest lies in supporting the local industry through the modernization of its working tools. This support is particularly relevant as the textile industry is one of the major providers of jobs in Madagascar. The country is known for its expertise, and international competition is becoming increasingly fierce.

IPAE was able to achieve its impact targets related to gender issues (79% of its employees are women), improving working conditions, creating jobs (the company employs over 800 people), supporting local suppliers and producers through local sourcing of raffia, and more. IPAE has supported the realization of this mission by providing the necessary financing, enhancing the value of the raffia sector, and also working on improving jobs conditions.

Through this methodology, rigor, and consistency, we hope to maximize our impact. The results can be seen and are shared in the current report.



Mialy RANAIVOSON
Investment Director, Madagascar

IPAE's main results in 2022



ENTREPRENEURS

- **88%** of our partner entrepreneurs are rooted in Africa for the long term
- **16% are led by African women**
- **96%** of companies would not have been able to carry out their investment project without IPAE's funding or would have done so at a smaller scale
- **€2 raised for each €1 invested** by IPAE

IPAE 1 SMEs

- **Over 1500 suppliers** have contracted with IPAE companies
- **77% of suppliers are local**
- Over **6,900 small producers** reached

LOCAL ECONOMIC FABRIC



JOBS

- **6,335 jobs** maintained or created since 2012
- **37,250 household members** impacted
- **84% direct employment growth** since IPAE's investment
- **100%** of our companies provide health insurance

- **89%** of our partner companies address local needs
- **74%** of our partner companies provide goods or services that address **essential needs and contribute to the new SDGs**

ACCESS



Environment

52%

of our partner companies implement "green" projects

Social

41%

of women employees in our portfolio

Governance

€3,8M

in taxes paid to the authorities in 2022





PEG © Béchir Malum

01. Impact thesis and methodology

02. Impact management in 2022

Portfolio overview

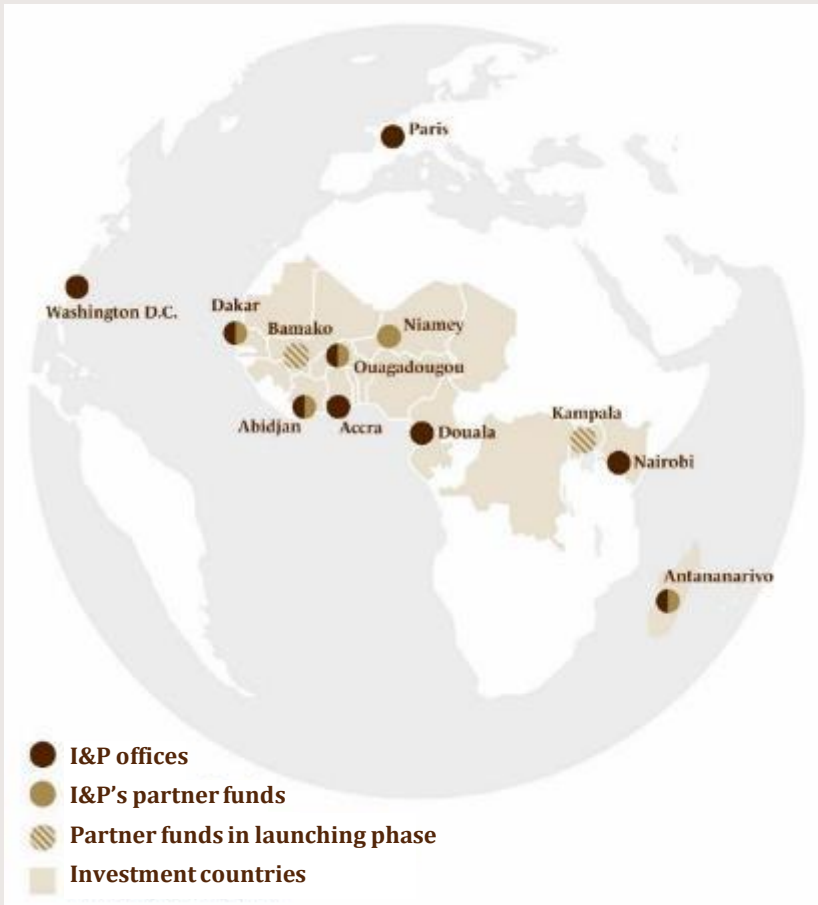
Implementing ESG action plans

Measuring impacts on local stakeholders

Enhancing outreach & impact with advocacy

I&P : an overview

Investisseurs & Partenaires (I&P) is a **pioneering impact investing group entirely dedicated to financing and supporting the emergence of African entrepreneurship champions**. For over 20 years, I&P has been developing funds, programs and trainings to support the emergence of entrepreneurs in Africa, to demonstrate their essential role in the development of the continent.



A TEAM OF **160+** PEOPLE

- A committed team located across **10 African countries**: Burkina Faso, Cameroon, Ivory Coast, Ghana, Kenya, Madagascar, Mali, Niger, Uganda and Senegal.
- Team members also located in **France** and the **USA**.



250+ PARTNER COMPANIES

- **50** new companies financed each year
- Financing needs ranging **from €10,000 to €5 million**
- **120** capital-funded companies (I&P Development and I&P Expansion ranges)
- **130** companies benefiting from acceleration programs (I&P Acceleration)
- Based or operating in **some 20 Sub-Saharan African countries**



€400 MILLION RAISED

- More than **€260 million** raised by I&P and its partner funds from African and international investors and funders.
- **€140 million advised funds** by I&P (I&P Ecosystems)



4 PILLARS OF ACTIVITY

- **3 pillars dedicated to SME funding and support**, segmented according to the size and maturity of the companies: I&P Acceleration, I&P Development and I&P Expansion.
- **1 pillar dedicated to the business environment** : I&P Ecosystems, which aims to develop and foster a thriving ecosystem that is beneficial to both SMEs and entrepreneurship business structures.

I&P Afrique Entrepreneurs 1

I&P Afrique Entrepreneurs 1 targets formal **SMEs and startups operating in Sub-Saharan Africa and the Indian Ocean**. This generalist fund provide companies with equity investment and strategic support. Its objective: to **promote the emergence of a new generation of African entrepreneurs** while seeking to **generate both financial profit and social impact**.

○ Calendar	2012-2022 (closed)
○ Status	Disinvestment
○ Size	€54 million
○ Sectors	General (all sectors)
○ Portfolio	29 companies
○ Tickets	€300,000 - €1.5 million



EXAMPLE OF IPAE1 INVESTEE : ULTRAMAILLE

Country: Madagascar | **Sector:** Textile | **Investment:** 2016 | **Exit:** 2022

ULTRAMAILLE is a Malagasy knitwear factory founded in 1998. This company currently employs more than 800 people and exports its production to Europe, the United States and South Africa. The factory has two activities : the manufacture of pullovers and other knitted articles of medium and high quality, and the handmade crochet and raffia.



I&P's support

- TA to set up a cost accounting system and lean management.
- IPAE advised Ultramaille on improving its margin, but also on diversifying its customers. The company was thus able to survive the bankruptcy of its initially largest client
- IPAE investment allowed the company to raise more funds and to have a better say in negotiations with banks.
- IPAE played a major role beside the CFO and the COO, within the collegiate management set up to face promotor's absence, when he suffered a severe form of Covid.
- IPAE support the work on the launch of a new brand of tailor-made cashmere sweaters sold online : Wull

Main impacts

- Ultramaille's employees can access to a bank account. It induced a possibility to have savings and security against theft and abuse
- 285 job formalization in Ultramaille main local subcontractor
- 953 full-time employees, 79% are women

Focus on exit

Ultramaille has fulfilled all the engagements made in 2016 when I&P entered. In late 2021, the promotor has bought back its stock, which has been its goal since the signing.

Frederic WYBO has lived in Madagascar for more than 20 years and benefits from an extensive experience in the textile industry. Frederic is deeply involved on environmental and social issues.

“I was looking to modernize my production tool, and I&P's investment provided leverage to convince the banks to take out an additional loan.

The implementation of a new governance with a Board of Directors has changed the life of the company. It is thanks to the total trust and the alignment of values with I&P that such a transformation could take place.”



Mission

Our commitments to the development and growth of African economies

I&P was created to contribute to alleviating poverty in a unique and original way: through **promoting SMEs and start-ups in Africa**. The rationale is that small businesses are one of the key drivers of increased productivity, formal decent employment and access to key goods and services improving people's lives in African societies. African entrepreneurs also transform the culture, the mindset and the structure of African societies. We believe in their ability to generate both a positive financial return and social and environmental impacts.

By 2050, over 450 million young people will be entering the labor market in Africa, making it urgent to create jobs at an extremely rapid pace to absorb this growing labor force. On the other side, current forecasts estimate that only 220 million jobs will be created. Developing a fabric of formal small and medium-sized businesses is key to ensure sustainable and inclusive growth in Sub-Saharan Africa.

As documented in this report, formal **SMEs create formal, stable and decent jobs**. Formal jobs offer higher and regular wages, which allows families to plan for the future, save money, and thus improve their access to credit, housing and education. These jobs provide access to training opportunities and social security benefits. **SMEs improve local access to essential goods and services and structure local economies**. They tend to source locally - more than multinationals, which rely on international networks. SMEs structure local value chains, beyond the ripple effect they may have on their suppliers and distributors. IPAE1 SMEs also help shape the financial sector through their relationships with banks and their shareholders. Through their boards and management, a new form of governance is being introduced into the African economy. The ESG support that IPAE1 provides to our partner companies helps maximize this whole range of impacts, which include benefits such as employer-provided/subsidized health care for employees and their families.

I&P was born from the idea that equity investment, and technical support can efficiently help entrepreneurs to grow their businesses from the earliest stages of their development. Our mission is **to address the "missing middle"**, those SMEs that, given their small size, do not have access to international investors and banks but whose financing needs are also too great to qualify for microfinancing. We help move SMEs into the formal financial economy of their country. We are convinced that this support allows them to improve their financial performance while improving their social and environmental practices.

Additionality and sustainability are key concepts for IPAE1. Not only do we operate in particularly vulnerable countries which are largely underserved by other investors, but within these countries, we then target those SMEs that are suffering most from a lack of financing. IPAE1 is helping to develop a SME eco-system that would not have been possible without our funding. However, we are also deeply aware of the negative externalities generated by the economic activity involved. Therefore, as often as possible we support businesses that provide direct environmental and social services. We also help reduce CO2 emissions, limit and manage waste and combat biodiversity loss.



Addressing the 'missing middle' in Africa

Private equity: a proven response to the growth needs of SMEs



Why promoting and growing SMEs matters

SMEs appear as solution to many development challenges in Africa as they :

- **Create decent and stable jobs** that offer higher wages than in the informal sector (50% to 60% higher according to data from Ghana and Tanzania)
- **Offer well above-average growth potential** (45% per year on average for IPAE1 portfolio companies)
- **Build and structure the local economic fabrics.** SMEs tend to obtain their supplies locally, unlike multinationals, which tend to rely on international networks.
- **Improve access to useful goods and services for domestic markets** and the BOP (such as water, healthcare, housing and education). African SMEs tend to be predominantly focused on domestic markets, thus filling these gaps.

SMEs contribute more than 35% of Gross Domestic Product (GDP) in many emerging markets [...] and can be a powerful force for integrating women and youth into the economic mainstream.*

Private equity: a new solution for Africa SMEs

Equity investors such as IPAE can effectively meet most of the needs of African SMEs:

- ① **Personalized long-term risk finance:** private equity investors can provide long-term equity and quasi-equity finance, often without asset-based collateral
- ② **Accessing skills:** the investor provides individualized management support to the investees in various areas of expertise (strategy, accounting, financial management...)
- ③ **Improving governance:** the investor structures the governance of the companies and improves management standards
- ④ **Catalyzing effect:** the presence of an investor facilitates bank financing



Permitting resilience amid ongoing uncertainty

MACRO ECONOMIC CONTEXT : A SLOW RECOVERY

Economic growth in Sub-Saharan Africa (SSA) **slowed to 3.6% in 2022** from 4.1% in 2021, and economic activity in the region is projected to **further slowdown to 3.1% in 2023**.

Growth is estimated to pick up to 3.7% and 3.9% in 2024 and 2025, thus signaling that **the slowdown in growth should be bottoming out this year**.

Growth conditions, however, remains **insufficient to reduce extreme poverty and boost shared prosperity in the medium to long term**.

The GDP growth of Western and Central Africa is estimated to decline to 3.4% in 2023, from 3.7% in 2022, while the growth recovery in Nigeria for 2023 (2.8%) is still fragile as oil production remains subdued.

Moreover, the **war in Ukraine halted the fiscal consolidation process** of many countries in the region that started in the aftermath of the COVID 19 pandemic. As a result, the fiscal deficit of the region widened to 5.2% of GDP in 2022 up from the estimated 4.8% of GDP in 2021.

Weak growth combined with a fast accumulation of public debt has pushed the median public debt to GDP ratio from 32% in 2010 to 57% in 2022.

High inflation as well as weaker currencies and low investment growth continues to constrain African economies, creating **uncertainty for consumers and investors**.

Investment growth in SSA fell from 6.8% in 2010-2013 to 1.6% in 2021, with a sharper slowdown in Eastern and Southern Africa than in Western and Central Africa.

GOOD RESILIENCE OF OUR PORTFOLIO COMPANIES

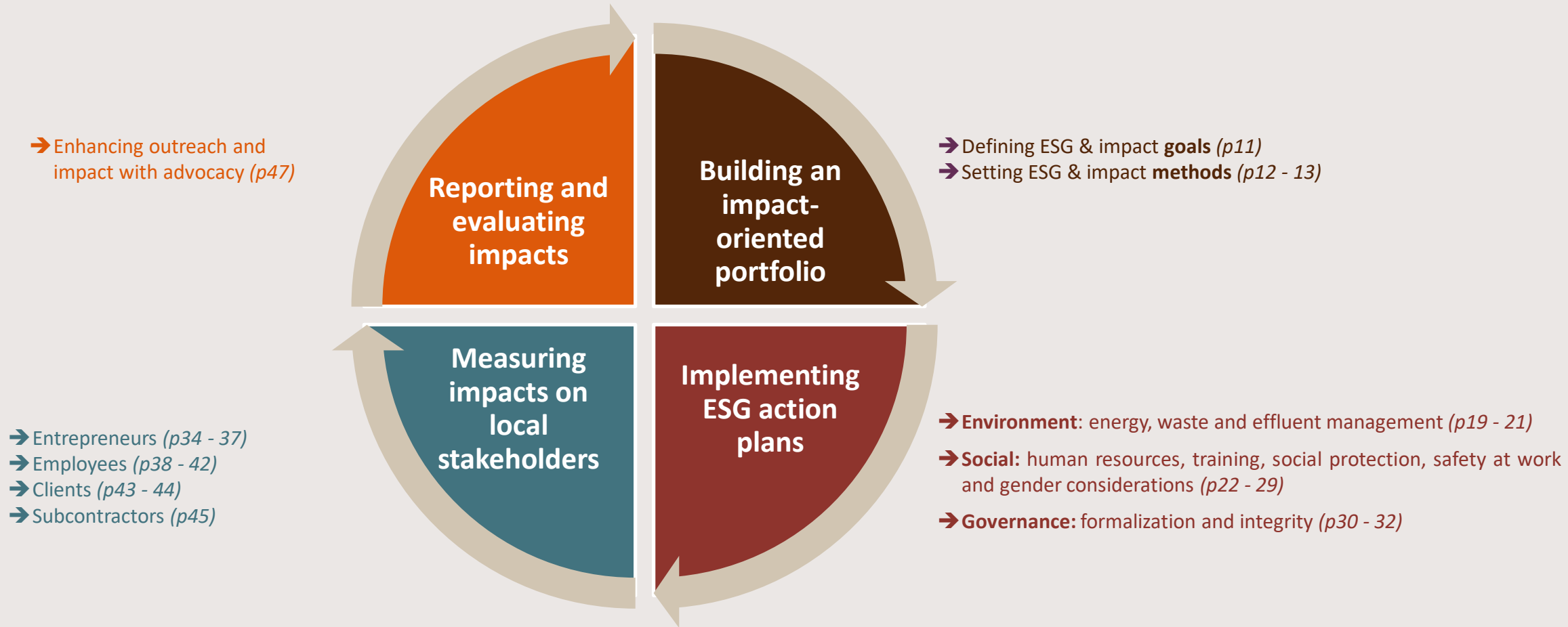
- **Financing missing middle, getting more relevant:** 48% of investees say that access to funding is one of the main obstacles they are facing. 96% of our investee companies would have had to carry out their investment project at a smaller scale without IPAE's funding. Moreover, €1 invested by IPAE permits to rise €1 more to fund SMEs.
- **Supporting SMEs, and permitting them to face inflation and currency depreciation:** Inflation in Sub-Saharan African was strong in 2022 and is still remaining strong. A growing number of countries have double-digit average annual inflation rates. The situation of Ghanaian companies was the most worrying, with an inflation rate of 54.1% and a currency depreciation of more than 55% in one year. We are continuing to support our Ghanaian companies and we are relieved that they are still continuing, in a good state.
- **Facing climate change consequences:** Our portfolio companies have suffered drought in some countries, change in sea conditions, cyclones in Madagascar, flood in Ivory Coast... From now on, adaptation measures have to be considered, and financed systematically. IPAE and our team are bringing awareness on this topic.
- **Confronting security and political tension and instability,** particularly in Sahel: we continue to support IPAE activities in this zone despite this issue, as part of our mission, which is supporting entrepreneurship and African SMEs underserved by financing, particularly in the Least Developed Countries, and Fragile Countries.

FOCUS ON PÊCHERIE DU SUD

Pêcherie Du Sud (PDS) is a group involved in the seafood value chain mainly in Madagascar. Seaweed farming is affected by unfavorable growing conditions and diseases. Bioclimatic risks and pest and disease outbreaks, though, are being addressed through the close supervision of the phyconomic aspects by Ocean Framer, the PDS seaweed farming company. For example, farming techniques and strategies are site-specific, the type and quantity of farming material are carefully selected and managed, the crop is regularly surveyed for pest and disease, control measures are in place if an outbreak occurs and concerted spatial management plans have been created. In addition, farmers receive training in farming techniques and biosecurity.



I&P impact management wheel



ESG and Impact overarching objectives

Four impact goals supported by strong ESG performance

FROM ESG TO IMPACT

RISK MANAGEMENT

Understand and minimize Environmental Social and Governance (ESG) risks

VALUE CREATION FOR THE INVESTEE COMPANY

Identify ESG opportunities and promote actions creating combined societal and economic value

DEVELOPMENT IMPACT

Enhance positive impact to achieve broader development outcomes, especially on our four impact objectives

I&P'S MAIN CONTRIBUTIONS TO THE SDGs



OUR IMPACT OBJECTIVES

Accompanying the emergence of a **new generation of African entrepreneurs**, particularly in Fragile and Least Developed Countries

ENTREPRENEURSHIP

Creating **decent jobs and training opportunities**

JOBS

Meeting unmet demand for **essential goods and services**

ACCESS

Creating opportunities for **local suppliers and distributors**

LOCAL ECONOMIC FABRIC

while fostering environmentally friendly development and integrating a gender lens perspective

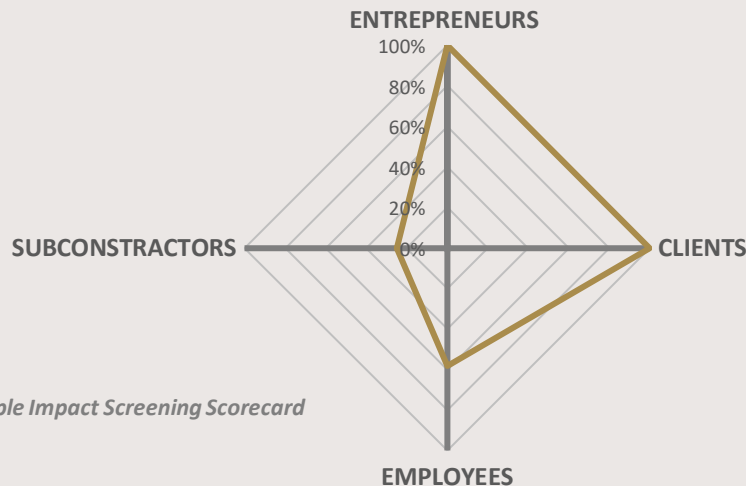
Impact management – Pre-investment

Screening investment projects on ESG & impact

Assessing prospective impacts

For each of its impact funds, the I&P team uses **Impact Screening Scorecards** to:

- **Screen investment projects** for alignment with the fund's core impact objectives for:
 - Impact on local entrepreneurship (entrepreneur nationality and location, additionality of the investment, etc.)
 - Impact on employees (creation of decent jobs)
 - Impact on clients (meeting of local and essential needs)
 - Impact on local suppliers and distributors
- Encourage gender empowerment and foster environmentally-friendly development
- Identify ways to **improve overall impact**

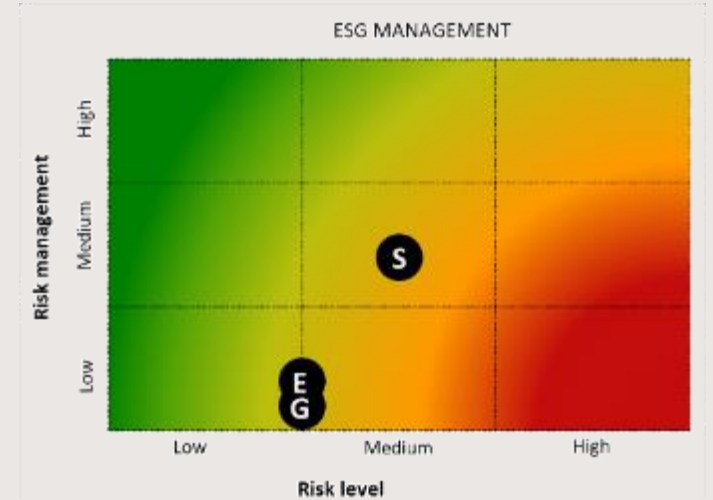


Sample Impact Screening Scorecard

Evaluating ESG risk and ESG management

The I&P team rates **ESG risk** (high, medium or low), as well as the **level of ESG management** (good, average or poor)

ESG risk rating categories are based on **international standards** (IFC, CDC)



Sample ESG risk categorization matrix

Conducting ESG risk due diligence

Includes an **in-depth analysis of the following ESG-related matters as an integral part of the assessment:**

- **Social considerations** including, but not limited to, working conditions and human resources management, occupational health and safety, and impact on local communities
- **Environmental considerations**, such as water and waste management, carbon footprint and energy efficiency, impact on biodiversity, etc.
- **Governance-related considerations**, such as business integrity and corporate governance framework

Impact management – Post-investment

Impact and ESG monitoring during investment and exit

Implementing ESG action plans to generate economic and societal performance

- The investment team works with partner companies on **ESG actions** that generate economic value and are fully integrated into the company's operations.
- Partner companies legally undertake implementing and monitoring of these ESG action plans, and a contact person is appointed to oversee the process.
- **Bi-annual meetings** with the company's management team are set up to assess progress made and to update the action plan.

Ensuring good impact management after exit

- The investment team works with partner companies on **ESG actions** that generate economic value and are fully integrated into the company's operations.
- Partner companies legally undertake implementing and monitoring of these ESG action plans, and a contact person is appointed to oversee the process.
- **Bi-annual meetings** with the company's management team are set up to assess progress made and to update the action plan.

Measuring ESG & impact results annually



Annual Collection & Analysis of Impact Indicators

I&P measures investee company performance with an **in-house IM tool** based on IRIS metrics. Close to **one hundred indicators** are collected on a declarative basis and analyzed every year to assess partner companies' impacts on their local stakeholders:

ENTREPRENEURS

Share of companies led by Africans and by women
Age, level of education, years of experience, etc.

SUBCONTRACTORS

Number and share of local suppliers and distributors
Number of smallholders for agribusiness companies

EMPLOYEES

Job creation
Job patterns (gender, wages, etc.)
Employee training and other benefits

CLIENTS

Quantity of goods/services provided (company-specific metrics)
Number of clients (company-specific)



360° Impact Studies (available on I&P's website under "Resources")

Once a year, I&P conducts in-depth impact studies on one or two partner companies. A 4- to 5-members team conducts a field survey among local stakeholders to evaluate those company's impacts. Practical recommendations are provided, and followed-up on by the investment team. In 2018, two studies were published on the impacts of formal employment in Madagascar and Senegal. [\(See more on page 42\)](#)



Impact management – PRI assessment

Best in-class practices according to PRI assessment



The Principles for Responsible Investment (PRI) were developed by an international group of institutional investors reflecting the increasing relevance of environmental, social and corporate governance issues to investment practices. The process was convened by the United Nations Secretary-General. In signing the Principles, I&P publicly commit to adopt and implement them:

- **Principle 1:** incorporate ESG issues into investment analysis and decision-making processes.
- **Principle 2:** be active owners and incorporate ESG issues into our ownership policies and practices.
- **Principle 3:** seek appropriate disclosure on ESG issues by the entities in which we invest.
- **Principle 4:** promote acceptance and implementation of the Principles within the investment industry.
- **Principle 5:** work together to enhance our effectiveness in implementing the Principles.
- **Principle 6:** report on our activities and progress towards implementing the Principles.

Module INVESTMENT AND STEWARDSHIP POLICY

I&P scores 64/100, well above the PRI median (53). This module aims to capture the overall approach of the reporting organization to responsible investment. It is focused on how robust ESG incorporation processes are, by measuring how signatories have incorporated ESG considerations into their investment analysis and decision making.

Module PRIVATE EQUITY

I&P scores 78/100, well above the PRI median (62) and is among the top performers of its category. This module is filled by investors who act as direct investors or co-investors in portfolio companies. It assesses the operational implementation of the responsible investment strategy (tools used, company selection process, due diligence and monitoring, etc.).





ACEP Madagascar © ZenDesign

01. Impact thesis and methodology

02. Impact management in 2022

Portfolio overview

Implementing ESG action plans

Measuring impacts on local stakeholders

Enhancing outreach & impact with advocacy

Overview of IPAE 1 portfolio

Western Africa

15 investments

Benin

- Tincy Boulangerie (*Nutrition & Agribusiness*)* | 2015

Burkina Faso

- ACEP Burkina (*Microfinance*)**
- Bakou Logistics (*Transport*)* | 2013

Cote d'Ivoire

- Conergies Group (*Construction & Equipment*) – Branch in Mali* | 2012
- Enval Laboratoire (*B to B Products & Services*) | 2015
- Pharmivoire Nouvelle (*Health*) | 2014

Ghana

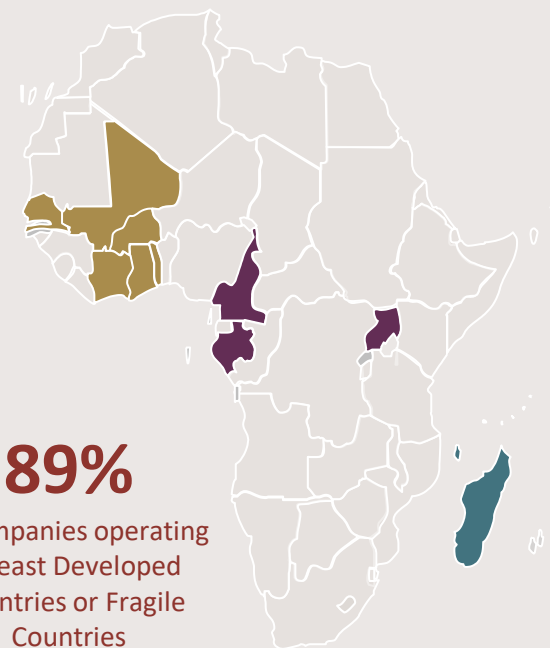
- Eden Tree (*Nutrition & Agribusiness*) | 2015
- PEG (*Renewable Energy*) – Branches in Cote d'Ivoire and Senegal* | 2015
- VRS (*Transport*) – Branches in Cote d'Ivoire and Senegal | 2014

Mali

- Carrières et Chaux du Mali, CCM (*B to B Products & Services*)* | 2016
- Société Malienne de Blanchisserie, SMB (*B to B Products & Services*)* | 2017

Senegal

- Delta Irrigation (*Construction & Equipment*) – Branch in Côte d'Ivoire* | 2012
- Nest For All (*Health*) | 2012
- Neurotech (*IT*) | 2016
- Sofamac (*Construction & Equipment*)* | 2014



Multi-country

4 investments

- ACEP Group (*Microfinance*) | 2017
- Africa Radio (*Media*) | 2016
- Enko Education (*Education*) | 2016
- Barajii (*Nutrition & Agribusiness*) | 2016

Central Africa

5 investments

Cameroon

- Carrières du Mongo (*Construction & Equipment*)* | 2014
- ITG Store (*IT*) | 2013

Democratic Republic of Congo

- Oxus DRC (*Microfinance*)* | 2012

Gabon

- Trianon (*Construction & Equipment*)* | 2014

Uganda

- Finance Trust Bank, FTB (*Microfinance*) | 2013

Indian Ocean

5 investments

Comoros

- Banque des Comores, BDC (*Microfinance*)* | 2014

Madagascar

- ACEP Madagascar (*Microfinance*)** | 2012
- PDS (*Nutrition & Agribusiness*)* | 2016
- Scrimad (*Nutrition & Agribusiness*)* | 2015
- Ultramaille (*Other Industry*)* | 2016

* We no longer receive impact report from 14 companies since IPAE has mostly or fully exited from these companies.

** Acep Madagascar and Acep Burkina are integrated in ACEP GROUP since 2017

Various countries and sectors

Since its creation in 2012, IPAE has invested in **29 companies located in 12 different African countries** and operating in a great variety of sectors. To foster Sub-Saharan SME development, IPAE finances **small to medium-size businesses** that are mostly at an early or expansion stage.

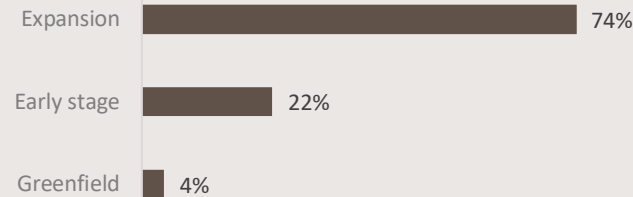
Countries

12 different countries

Benin	4%
Burkina Faso	4%
Cameroon	7%
Comoros	4%
Congo, <i>The Democratic Republic Of The</i>	4%
Cote D'Ivoire	15%
Gabon	4%
Ghana	7%
Madagascar	11%
Mali	11%
<i>Multi-country</i>	11%
Senegal	15%
Uganda	4%

Maturity

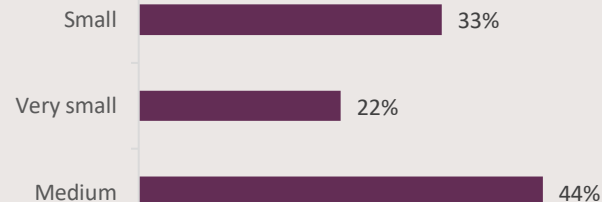
22%
early stage
companies



Note: The percentages in each category are calculated according to the number of companies and include all 29 IPAE investments.

Size

55%
very small or
small SMEs¹



¹ **Very Small SME** : Turnover < € 0.5M and Employees < 25
Small SME : €0.5M < Turnover < €1.5M€ or 25 < Employees < 50
Medium SME : €1.5M < Turnover < €4M and Employees > 50

Sectors

11 different sectors

Nutrition & Agribusiness	19%
Construction & Equipment	7%
Microfinance	15%
B to B Products & Services	15%
Health	7%
IT	7%
Transport	7%
Education	4%
Media	4%
Other Industry	15%



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Contribution to environmental challenges

Addressing energy, waste and effluent issues

Promoting environmental opportunities

28% of IPAE's partner companies provide products and services involving positive impacts on the environment.

52% of our partner companies **implement "green" projects***, as part of their products and services or as a way to mitigate their environmental impact.

FOCUS ON IPAE POSITIVE CONTRIBUTIONS

- 5 IPAE companies provide **equipment and/or services with environmental benefits**:
 - Conergies - Energy-efficient cooling and AC systems
 - Delta Irrigation – Energy and Water-efficient irrigation systems
 - Enval - Air and water quality analysis
 - PEG - Solar systems for rural households
 - SOFAMAC - Clay bricks with high insulating properties
- **Aquaculture**: IOT (part of PDS Group) contributes to biodiversity in Madagascar by implementing an innovative sea cucumber breeding project that reintroduces natural stocks of sea cucumbers, which are overexploited, albeit very beneficial to local ecosystems.

** Significant actions with regard to renewable energy, energy efficiency projects, CO2 capture or offset, waste or effluent management, sustainable agro-business projects, etc.*

Mitigating potential negative impacts

REDUCING THE PORTFOLIO CARBON FOOTPRINT

OUR ACTIONS

30% of our partner companies are using renewable energy in their mix after IPAE investment

We assess the **portfolio's carbon emissions** on a yearly basis to identify the main sources of reduction or offset

We are implementing specific and systematic actions to **promote energy efficiency and renewable energy**

MANAGING WASTE AND EFFLUENT ISSUES

60% of our partner companies are faced with significant waste and/or effluent management issues.

Environmental impact assessments conducted by external experts include waste and effluent management specifications that are added to ESG action plans.

Focus on energy-related measures

Update on energy-related actions

Our approach

Our investees can play an active role in experiencing and sharing innovative and replicable energy-related solutions. For energy-consuming projects, energy screenings are now systematic but need to be carried out as early as possible in the investment process (to include specifications in the equipment list).

30%

of our partner companies are using renewable energy in their mix after IPAE investment



Main achievements since IPAE investment



ENERGY EFFICIENCY

- **Enval:** They conducted an environmental impact study to reduce their negative impact and promote better practices.
- **Carrières et Chaux du Mali (CCM):** Plans in place to use sawdust as a fuel for quicklime production
- **Conergies:** 100% of energy efficient air conditioning and cooling systems as well as audit/consulting services on energy efficiency



RENEWABLE ENERGY

- **Ultramaille:** Installation of a hybrid system for energy optimization with solar power
- **Eden Tree:** Implementation of a solar PV system to reduce energy costs and carbon footprint
- **PEG:** Installation of 15,724 new solar kits for underserved rural households in 2021



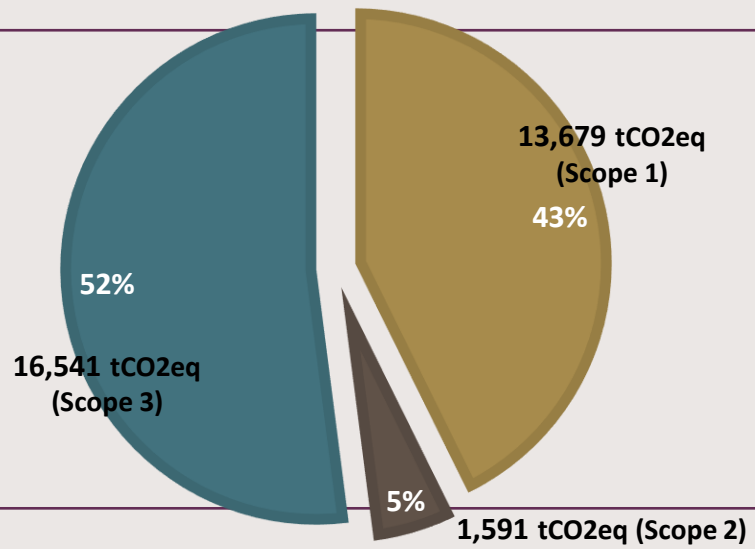
Carbon footprint

Current portfolio carbon emissions by scope and category

GHG EMISSIONS BY SCOPE IN 2022

TOTAL: 31,810 tCO2eq

A **carbon footprint** is measured in **tons of carbon dioxide equivalent (tCO2e)**, which allows the different greenhouse gases (GHG) to be compared on a like-for-like basis relative to one unit of CO2.



- Scope 1:** Emissions due to the company’s direct business activities
- Scope 2:** Indirect GHG emissions from consumption of purchased electricity, heat or steam
- Scope 3:** Other indirect emissions (production of purchased materials and fuels, transport-related activities in vehicles not owned by the company, outsourced activities, etc.)

LARGEST SOURCES OF EMISSIONS

- 32% from ENERGY:** Some companies need energy to run their plants (PDS, Pharmivoire, Baraji) or for their offices.
- 51% from freight:** Sea, air and road transport for equipment or goods, mainly due to CCM, Eden Tree, SCRIMAD and PDS activities.
- 9% from refrigerants:** mainly due to PDS and SCRIMAD activities.

LARGEST EMITTERS

Two companies (PDS and CCM) represent the largest CO2 emitters with nearly 60% of the portfolio's total emissions.

However they contribute to environment preservation, as the quicklime production is CO2 emission neutral: the same quantity of CO2 emitted during production is captured during its use by CCM’s clients ; and PDS contributes to the promotion of sustainable fishing and provide training to local fishers and surrounding communities in order to raise awareness about good practices with regards to marine species management and conservation

Promoting traceability and best E&S standards

Access to new certifications, skills and technologies

48% of companies developing environmental, social or quality certifications

Implementation of international standards to ensure traceability and good industrial practices

Industrial companies benefit from developing international safety and quality standards that are certified by recognized labels to ensure transparency and traceability on Environmental and Safety (E&S) and quality practices.

SCRIMAD

- Technical assistance mission conducted by a local NGO to engage producers in an **organic and fair trade labelling process** (20% of its producers are organic certified, plans to achieve 35% in 2019)
- Implementation of **HACCP processes** (with regular audits)

Ultramaïlle

- Products certified by the **Global Organic Textile Standard**, an international inspection agency
- Plans to further develop its **CSR strategy** to turn it into a competitive strategic asset

PDS

- Fishing activities are certified by the **Marine Stewardship Council (MSC)**, the widely respected international label that testifies to the sustainability of a company's fishing activities

Pharmivoire

- Gradually implementing **Good Manufacturing Practices in their new production unit** to increase sales

Eden Tree

- Implementing rigorous **HACCP processes** in the fruits and vegetables processing unit (control system that identifies where hazards might occur in the food production process)

Barajii

- With a BRC Food Certificate, Barajii offers a supplier strong guarantees regarding food safety, traceability and quality

Promoting social standards in microfinance

Implementing the SPTF Universal Standards for Social Performance Management

CUSTOMER PROTECTION PRINCIPLES

I&P and its Microfinance Institution (MFI) portfolio are signatories of the SMART campaign (www.smartcampaign.org), which helps provide MFIs tools to prevent client over-indebtedness, ensures transparency about lending conditions, and facilitates implementation of consumer complaint mechanisms.

SOCIAL PERFORMANCE MANAGEMENT

Our institutions have proactively implemented **social performance management (SPM)**, in line with the universal standards for inclusive finance: <https://sptf.info> They were supported by SPM experts (with a financial contribution from the technical assistance program).

Social Performance Management at ACEP Group



In 2016 and 2017, an initial mission was conducted by CERISE and Aïda Gueye (SPM expert) to initiate SPM processes at ACEP Burkina and ACEP Madagascar (ALINUS assessments, appointment of SPM coordinators, SPM trainings and drafting of action plans).

Since then, ACEP GROUP was committed to coordinating and further improving its social performance management system with technical assistance support, as described below.

CORPORATE SOCIAL RESPONSIBILITY POLICY

ACEP is grouping its partner MFIs into a common holding structure and seeks to develop shared policies and approaches. The first ACEP seminar brought together ACEP's CEOs in June 2018. In close cooperation with the shareholders, the Corporate Social Responsibility policy of the group was reviewed by the CEOs and finalized by CERISE experts (technical assistance mission). This policy aims at reflecting ACEP's core values and strategic positioning with regard to social impact.

WEBINARS

An SPM expert (Aïda Gueye) has facilitated a set of virtual workshops ACEP SPM champions (technical assistance mission). These workshops were focused on lessons learned around several key SPM issues (impact metrics, complaint mechanisms, client surveys, ethical charter, environmental policy). Updated ALINUS assessments are currently being conducted in ACEP institutions.

CSR COMMITTEE

The creation of a holding company grouping together the various subsidiaries of ACEP was an opportunity to review the governance of the company in 2021. It now includes a CSR committee to monitor the annual roadmap of the group and the areas of improvement planned. As Head of ESG and Impact at I&P, Samuel Monteiro is a member of this committee.



Human resources and & training

Moving towards improved and more formalized HR practices

	<p>SDG 4.4 Promote lifelong learning opportunities IPAE current performance</p>	<p>59% of companies held at least one training in 2022</p>	<p>€ 637,658 training budget in 2022</p>	<p>1,854 employees trained in 2022</p>
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Almost two-thirds of our partner companies have formal human resources management structures in place, and all are committed to further improving their practices.

75%
have staff in charge of HR

81%
have a formalized
HR policy

75%
have a formalized salary grid

50%
have staff representation systems

HUMAN RESOURCES MANAGEMENT



I&P entrepreneurs' training seminar: Organized in Abidjan, a former training seminar held in 2018 has included a one day focus on human resources management in an African context. This training was conducted by Agnès Tano (CIFIP), a renowned HR expert in Côte d'Ivoire with extensive experience working in many African countries. Agnès discussed some cultural barriers to good HR management and shared practical ways to overcome them, in a highly interactive course which was greatly appreciated by the participants.

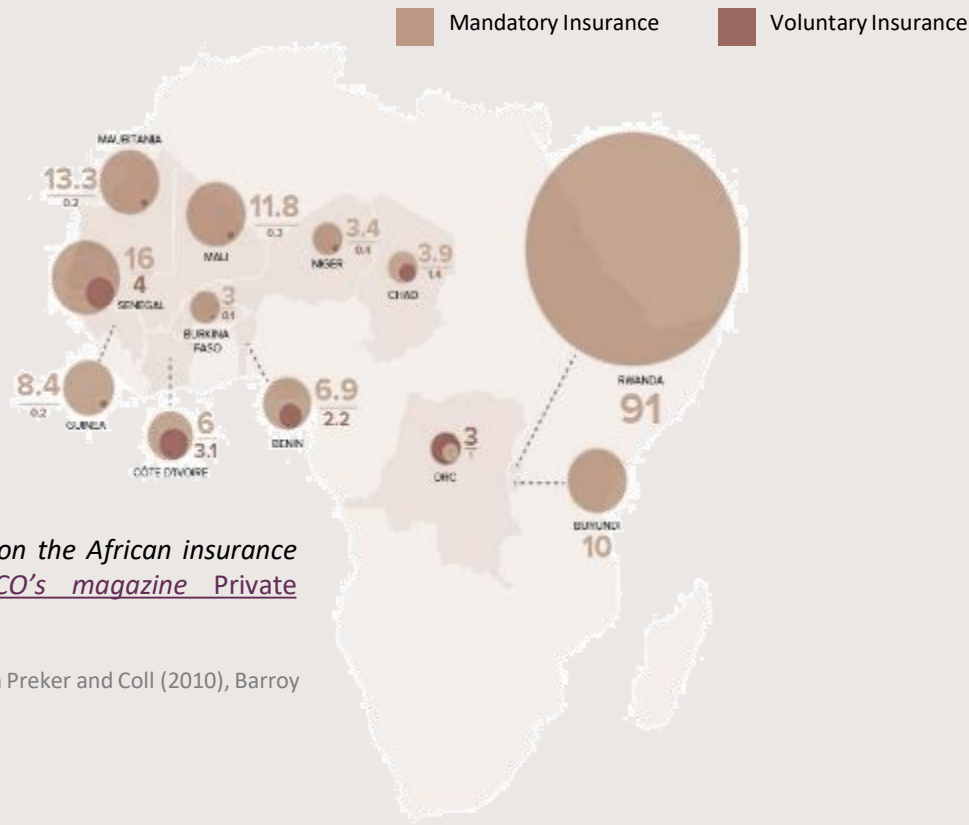
21 Technical assistances missions were focused on Organizational, HR and Training. 10 among them were specifically about HR Management.

Health insurance & social protection (1)

Performance of partner companies since IPAE investment

Current situation in Africa

As shown below, the number of people covered by health insurance in Africa remains extremely low, ranging from 3% to 20% in West Africa.



For more information on the African insurance sector, see [PROPARCO's magazine Private Sector & Development](#).

Source: Data compiled from Preker and Coll (2010), Barroy and Coll. (2015)



Current situation in partner companies

Country	Context	Performance of partner companies	Improvements since investment
Senegal	Collective insurance scheme ("IPM") including health insurance	All 4 portfolio companies provide private health insurance	Implementation of the system in 3 companies
Burkina Faso	Basic system only covers work accidents	2 out of 3 companies provide a private or in-house health insurance system	Implementation of the system in 1 company
Cameroon	Basic system only covers work accidents	1 out of 2 companies provides private health insurance	No significant improvement
Madagascar	Basic system includes health insurance	All 4 portfolio companies provide health insurance and 2 provide additional services	Upgrades for 2 companies
Ghana	Basic system includes health insurance	All 3 portfolio companies provide basic health insurance	Upgrades for 3 companies
Côte d'Ivoire	Basic system only covers work accidents	All 3 portfolio companies provide private health insurance	Implementation of the system in 2 companies and process upgrade in 1 company
Other countries		2 companies provide in-house systems, 4 companies rely on the public system, 1 company provides private insurance	Implementation of the system in 2 companies

Health insurance & social protection (2)

Main actions to date

	<p>SDG 3.8 Achieve universal health coverage</p>	<p>100% of our companies provide health insurance</p>	<p>50% have implemented or upgraded their system since IPAE's investment</p>
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Main actions to date

- In 2015** Feasibility study was conducted on health insurance systems in partner companies and training provided during the annual entrepreneurs' seminar.
- In 2016 and 2017** A technical assistance contract was implemented **with a health insurance specialist**:
 - Help companies implement/upgrade their health insurance systems
 - Launch pilot initiatives at the portfolio level (share occupational physicians, define minimum health care benefits)
- In 2018** The technical assistance contract ended due to increased unavailability of the health insurance expert. Projects in 2018 included:
 - Implementation of a portfolio-wide study **to identify best practices & lessons learned** (25 respondents among portfolio companies). This study was shared with the entrepreneurs and presented during the 2018 entrepreneurs' annual seminar.
- In 2020**
 - A new independent and qualified expert/consultancy company has been identified to assist portfolio companies in case of request.

After IPAE Investment

3,032
employees are covered by health insurance

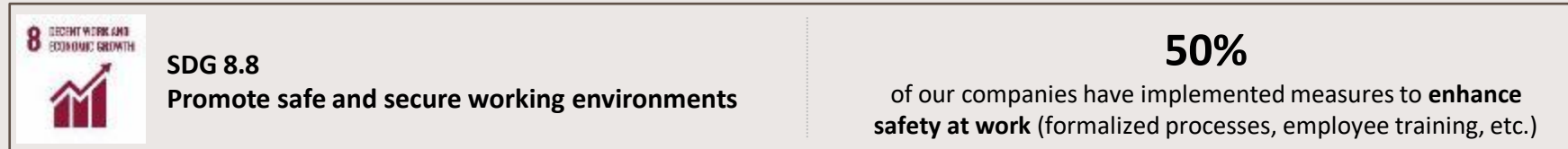
↓

3,962
people (employees and family members) are covered by health insurance



Health and safety at work

Production related risks and road safety under close scrutiny



MONITORING OF INDUSTRIAL AND SANITARY RISKS

- During the due diligence phase, impact assessments or technical audits are conducted for all projects involving significant risk
- Any serious incident is directly reported to our investors. **In 2022, no major incident has occurred.**
- Most ESG action plans include actions related to health and safety at work.



ROAD SAFETY REMAINS A MAJOR HEALTH AND SAFETY RISK

- The investment team regularly raises the road safety issue during board meetings and management meetings.
- For microfinance institutions, but also for companies such as PEG who frequently travels to the villages to meet the beneficiaries of the solar panels, this risk has been clearly identified and discussed by management to strengthen practices and agent safety.

Addressing the gender gap (1)

Women’s access to entrepreneurship and leadership positions



In June 2018, the G7 member DFIs launched the 2X Challenge to invest \$3 billion by 2020 to provide women in developing countries with opportunities. In order to do that, they have defined what can be considered as a gender lens investment.

67% of IPAE’s portfolio companies satisfy 2X Challenge criteria

30% of those companies satisfy at least two criteria

[Read more about the 2X Challenge and its criteria](#)

FOCUS ON MAIN FIELDS OF ACTION

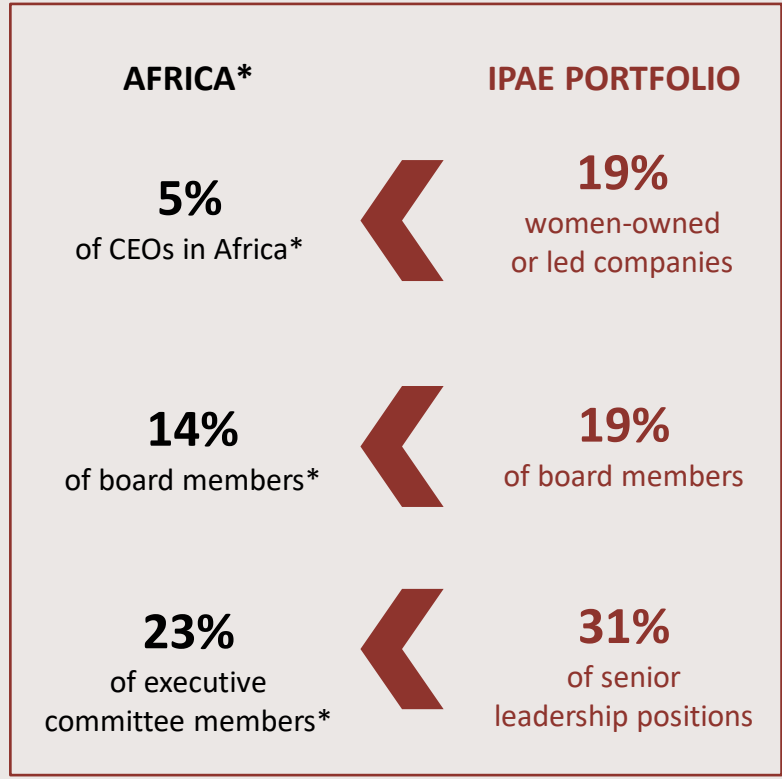
On International Women’s Day (March 8th), I&P took a step back to assess the progress made one year after the launch of our **gender strategy**, “**Opportunities to bridge the gender gap in African SMEs**”. Beyond our achievements with entrepreneurs, clients and employees, I&P has been an active advocate for the promotion of women:

- On Women’s Day 2022 I&P published [a report in order to review I&P’s performance in terms of gender equality](#), in particular by comparing our performance against France Invest benchmarks.
- In 2019 I&P published an article entitled “[How can general impact investors tackle gender-related issues?](#)” in the Proparco magazine : *Private Sector & Development*.
- Through our advocacy activities, portraits of women entrepreneurs are realized and shared widely across our networks. We believe that highlighting these examples can create role models that inspire other women to follow this path.
- Raising awareness on the topic of women entrepreneurship is a key objective of our advocacy objectives and strategy.



SDG 5.5
Ensure women’s full participation in leadership

REPRESENTATION OF WOMEN : Portfolio performance after IPAE investment

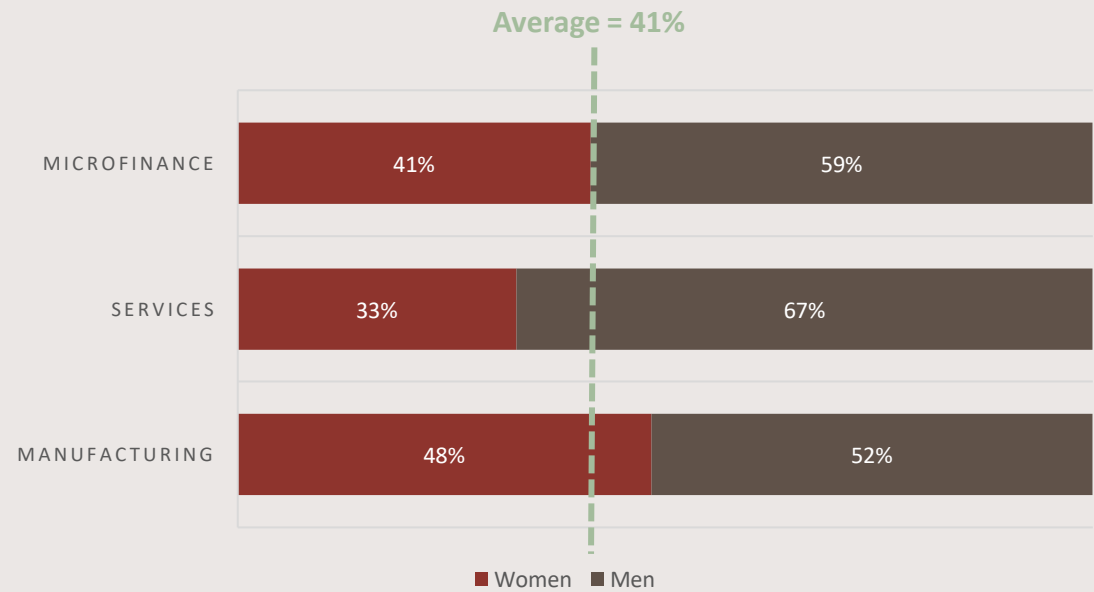


(*) Women Matter, Africa, Mc Kinsey & Company, 2016

Addressing the gender gap

Women’s access to decent jobs and training opportunities

Gender breakdown in current IPAE portfolio by sector



The proportion of women among employees is fairly balanced, whatever the business sector, with an average of 41% of women employees in our portfolio.

Contrary to the global data mentioned in the literature, the proportion of women remained stable despite the covid crisis. Therefore, job losses encountered in 2020 have not disproportionately affected women. The strong creation of jobs in 2021 and 2022, which will enable a return to the pre-crisis level of employment, has also been achieved in the same proportions since the share of female jobs is stable



Keynote

Gender inequality is costing sub-Saharan Africa on average \$US95 billion a year – or 6% of the region’s GDP – jeopardizing the continent’s efforts for inclusive human development and economic growth. It is estimated that a 1% increase in gender inequality reduces a country’s human development index by 0.75%.

Source: Africa Human Development Report 2016: Advancing Gender Equality and Women’s Empowerment in Africa, UNDP



Fostering good governance (1)

Shared governance with a majority of boards, including independent(s)

1- Implementation of a shared governance

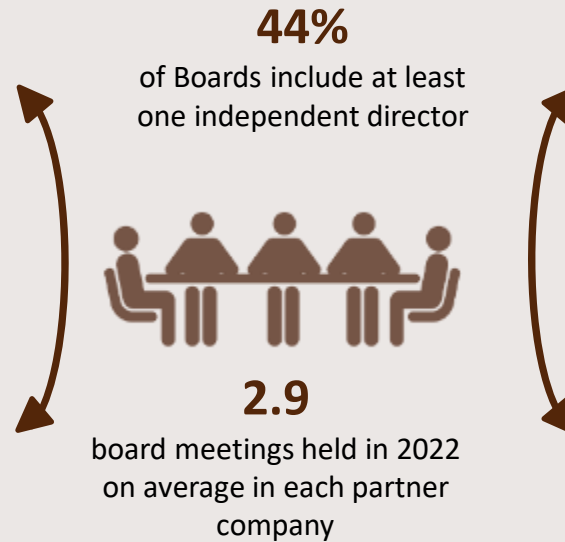
IPAE requires all partner companies to establish a Board of Directors. Board members include:

Entrepreneur(s)

usually hold a majority stake and remain in charge of day-to-day operations. They are provided with strategic guidance, as well as additional skills and networks in a context of difficult access to talent and financing. This also improves the credibility of the business vis-à-vis external partners.

One or two independent directors

are included when appropriate and possible, to bring additional expertise with an independent view. In situations of conflict, they can play a useful mediatory role.



One or two IPAE members

on the investment or strategic advisors' teams, as part of I&P's commitment to providing close support to the entrepreneurs. With respect to ESG, they ensure that extra-financial considerations are regularly raised and discussed.

Other minority shareholders

might be represented in some cases.



Fostering good governance (2)

Transparent & reliable accounting management practices

2- Upgrading of accounting and reporting practices

OUR CONTEXT

- IPAE invests in fast growing companies, which have an urgent need to strengthen their internal capacities to achieve sustainable growth.
- In particular, financial and accounting practices generally need to be upgraded to enable both management and shareholders to adequately track the company’s performance.

16

TA missions focused on improving accountability and financial practices

OUR ACTIONS



Audited accounts

We require that annual accounts be audited by statutory auditors, to ensure reliable accounting practices that fully comply with fiscal obligations.

Training seminars

In 2018 and 2019, entrepreneur training seminars focused on financial management and change management in SME, respectively.

Technical assistance

Customized assistance is provided to several partner companies – see key figures on the right.

5

manuals for financial and accounting written.

18

TA missions focused on management information systems.

3 – Diffusing anti-bribery and anti-corruption policy

Good governance involves impeccable integrity at all levels of the company. I&P assists its portfolio companies to improve their KYC practices, to elaborate ethical codes and to fight against corruption.



Contribution to SME formalization

Ensuring full social and fiscal compliance



Keynote

In IPAE's countries of intervention, the **low level of mobilization of fiscal resources** is a key barrier to developing the most needed public services (infrastructure, water, education...). Tax revenues represent less than 20% of GDP in Africa (OCDE, 2015). Most companies remain informal to avoid paying taxes and salary charges. In West Africa, **informal employment accounts for 92.4% of total employment** in all sectors (ILO, 2018).



SDG 17.1

Strengthened domestic resource mobilization

€3.8 million

in taxes paid to the local authorities in 2022

Focus on main areas of action

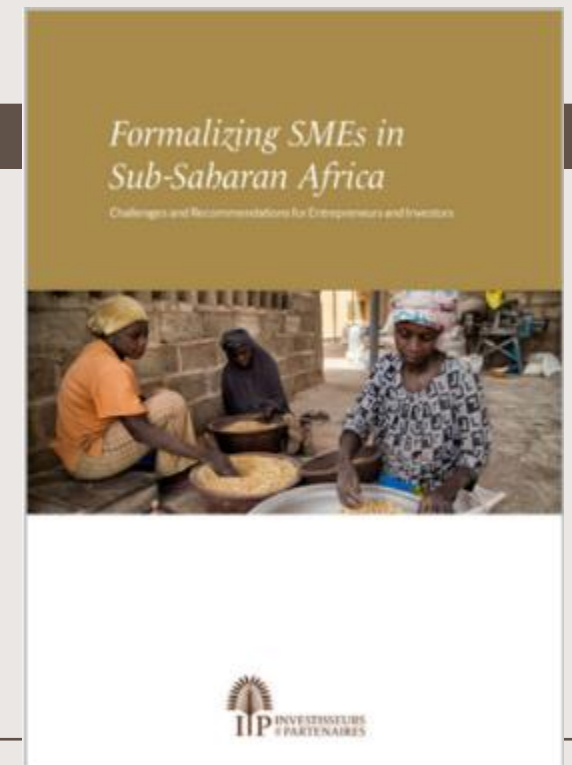
Some of our portfolio companies were partially informal (Tincy, SMB) or not fully compliant with labor laws (Pharmivoire) prior to investment. IPAE required each of them to undertake a formalization process as a condition for investment.

Some companies have experienced waves of employee departures by employees who did not wish to formalize that have temporarily destabilized the commercial activity.

In August 2018, a study was conducted in Senegal and Madagascar on a group of IPDEV2 and IPAE partner companies in order to capitalize on partner companies' experience and better understand the issues at stake, with two areas of focus:

- **Key barriers to formalization for companies.**
- **Socio-economic impacts for employees of a job contract** (higher wages, better job security, access to bank accounts, access to social benefits such as a pension plans, health insurance)

[Read more about the study](#)





NEST © Joan Bardeletti

01. Impact thesis and methodology

02. Impact management in 2022

Portfolio overview

Implementing ESG action plans

Measuring impacts on local stakeholders

Enhancing outreach & impact with advocacy

Promoting African entrepreneurs

Support local entrepreneurs, even in the most fragile countries

Gender-diverse entrepreneurs and managers with local roots

76% of our partner companies financed by IPAE are **led by Africans**

88% of our partner entrepreneurs are **based in Africa** for the long term

16% owned or led by **African women**

Significant local and international experience

15 Years of **experience** in their sector

90% of the African CEOs have **studied abroad**

A great majority operating in the poorest and most fragile countries

89% of our partner entrepreneurs operating in **Least Developed Countries and/or Fragile Countries**



Support from the technical assistance program


IPAE builds strong partnerships with its investee companies by providing them with both financing and managerial support. Given the lack of human and financial resources in Africa, IPAE’s technical assistance (TA) program is critical to fostering capacity building, skills transfer and training in partner companies and is complementary to IPAE’s general strategic and management mentoring. The TA program is funded by grants from the European Investment Bank and FISEA (€1.5) and co-finances a great variety of support missions being carried out by independent specialists.

Areas of action





Main figures

127 missions have been conducted and 6 are still in progress

 A total budget of **€1,494k** financed by EIB (€802k), FISEA (€435k) and investee companies (€257k)

 **All IPAE 1 companies** have benefited from this program

 **3,494 days** have been dedicated to TA missions

 **94** different experts (**46%** African experts) have been assigned to TA missions



Support from the technical assistance program

Examples of missions les in various sectors

ESG & Impact

Acep Group (IMF) received support in the implementation of an ethics code and a CSR policy (Multi-countries)

Number of beneficiary employees: 16

Number of people trained : 8

Deliverables and tools used by the company : 2

Sales & Marketing

Implementation of an effective marketing plan at Eden Tree (Ghana)

Number of beneficiary employees: 4

Number of people trained: 4

Deliverables and tools used by the company : 3

Operations

Lean management and Yellow Belt training for Ultramaile (Madagascar)

Number of beneficiary employees: 45

Number of people trained: 45

Deliverables and tools used by the company : 13

Human Resources

5 companies received team management training (Delta Irrigation, Enko, Enval, Pharmivoire, Acep Burkina)

Number of beneficiary employees: 15

Number of people trained: 15

Deliverables and tools used by the company : 1

Accounting & Finance

Capacity building of the accounting team at Enval (Côte d'Ivoire)

Number of beneficiary employees: 8

Number of people trained: 3

Deliverables and tools used by the company: 4

Management Information Systems

Implementation of an accounting software at Neurotech (Senegal)

Number of beneficiary employees: 3

Number of people trained: 3

Deliverables and tools set up by the company: 3

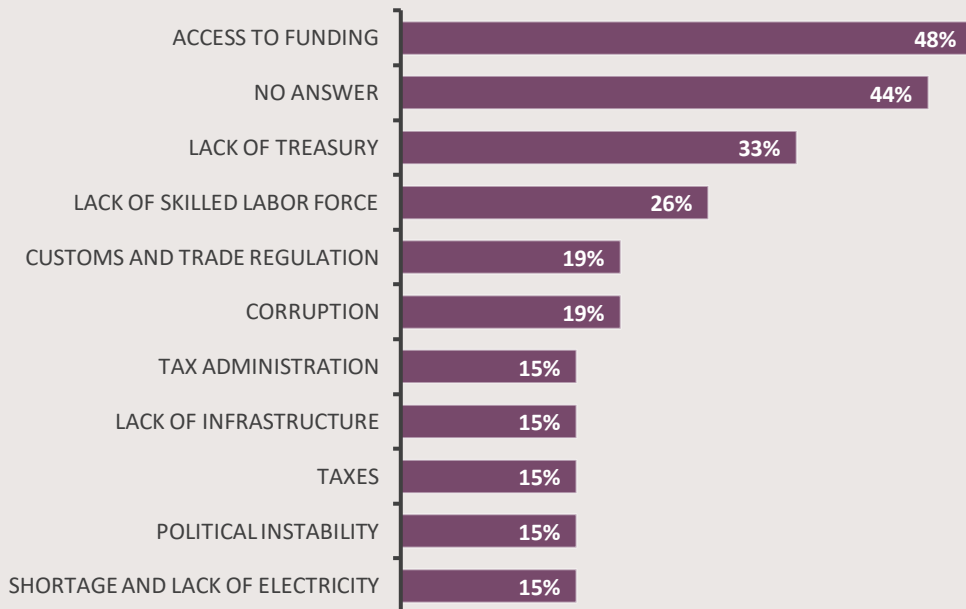
Supporting entrepreneurs underserved by financing

Strong additionality of IPAE's investment

55% of companies would not have been able to carry out their investment project without IPAE's funding

96% of companies would not have been able to carry out their investment project without IPAE's funding or would have done so at a smaller scale

Main obstacles faced by our investee companies during their development process



Leverage effect of IPAE's investment

SMEs face **significant difficulty securing external financing** from local commercial banks and other traditional financiers.

We assist our entrepreneurs in their negotiations with other local or international financial institutions or by participating in the search for new shareholders, using our networks. The resulting leverage effect is of 100%.



() This figure is computed by dividing the amount invested (equity, debt, and subsidies) by investors other than IPAE during the investment period by the amount of IPAE's investment (equity and debt).*

Creating decent jobs

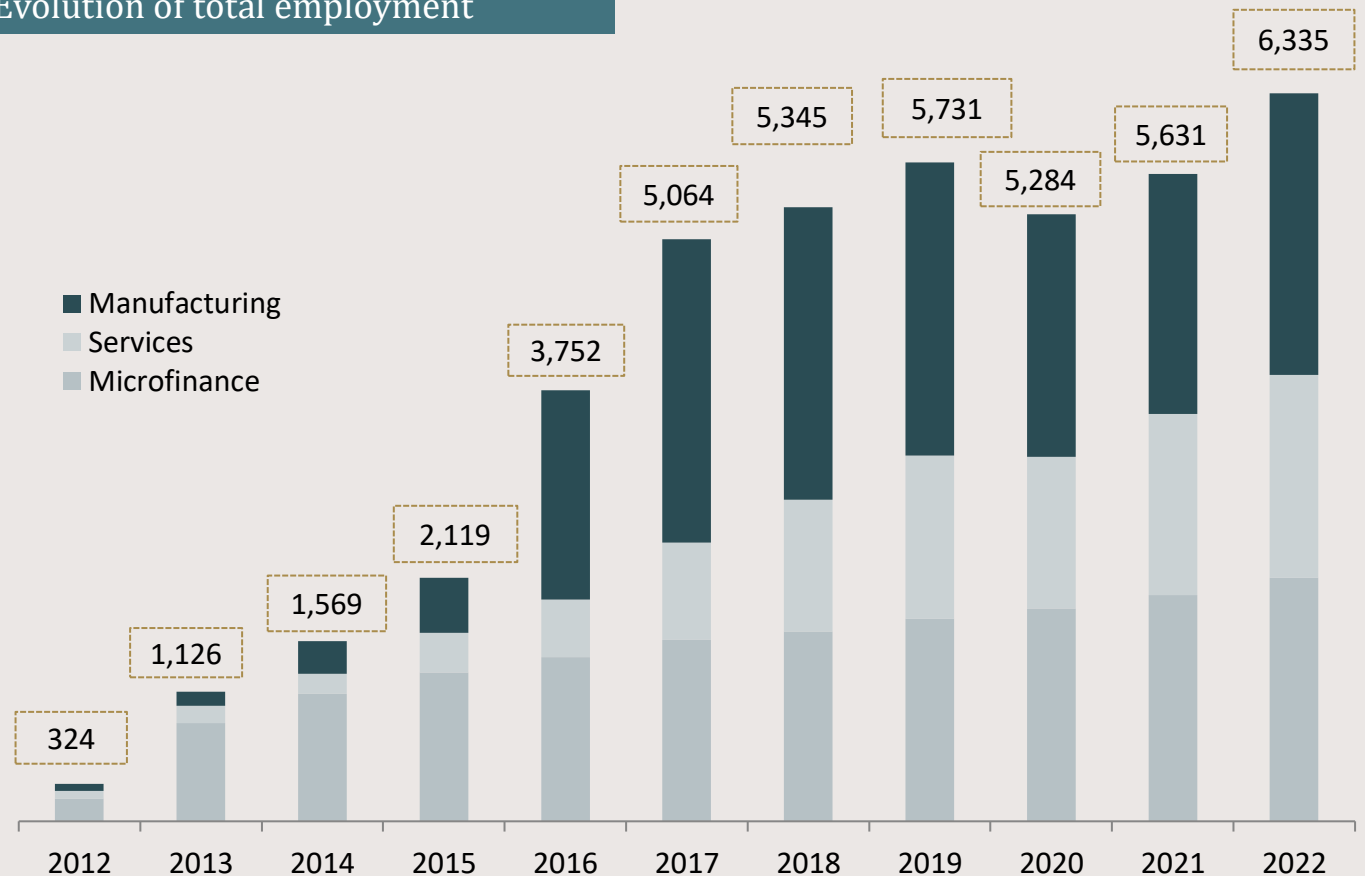
Portfolio performance after IPAE investment

2021 and 2022 have shown a sustain growth after a slight decline of employment in 2020 due to the Covid crisis. ACEP (multi-country) and Enko Education (multi-country) showed the most significant leaps with respectively 613 and 616 new jobs since IPAE investment.



(*) This figure is computed by multiplying the number of employees by the average household size in each country, based on GDL data available online: <https://globaldatalab.org/areadata/hhsize/>

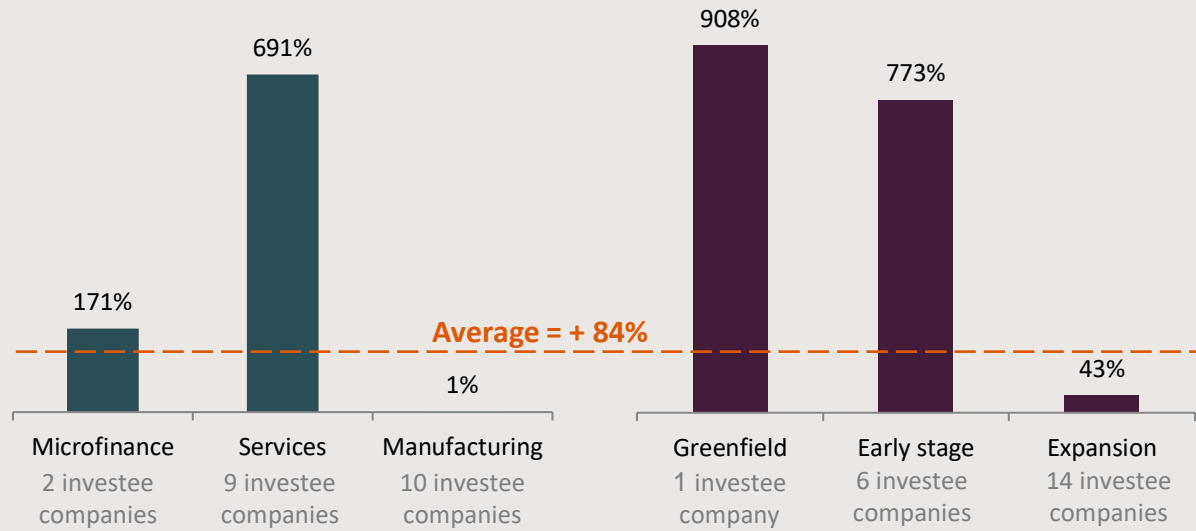
Evolution of total employment



Creating decent jobs

84% direct employment growth since IPAE's investment

Employment growth by sector and company size



Keynote

By 2050, over 450 million young people will be entering the labor market in Africa, making it urgent to create jobs at an extremely rapid pace to absorb this growing labor force. On the other side, current forecasts estimate that only 220 million jobs will be created.

15%
employment growth in private-equity backed companies in Africa over the investment period
(AVCA, 2016)



84%
direct employment growth since IPAE's investment

- As expected, **microfinance is an important source of job creation**. Growth since investment is very much positive.
- Less well known is the equally important, and even far greater, **job creation potential of service companies**. They are often very labor-intensive and their expansion often depends on the recruitment of additional human resources. Their strong job creation can also be explained by their initial development stage (more than half are start-ups). And finally, geographical extension induce jobs creation.
- Manufacturing projects** have often been the most affected by the health crisis and are still recovering. This year, they managed to come back to initial level at IPAE investment. This is particularly the case for Ultramaille, a textile factory in Madagascar.



SDG 8.6

reduce the proportion of youth not in employment

525
young employees
(under 25)

Level of wages

Average minimum wage of IPAE portfolio is currently 70% higher than the legal minimum wage



We use the Purchasing Power Parity (PPP) conversion rate to control for the variable cost of living in various countries.

CEO wages are not taken into account in order to more accurately reflect the reality of salary levels

(*) Bhorat H., Kanbur R. and Stanwix B. (2015). *Minimum Wages in Sub-Saharan Africa: A primer*. IZA DP No 9204.



€198 million

in payroll paid to employees
since 2012

€33.4 million

in payroll paid to employees
in 2022



SDG 8.5

Decent work for all

The average net monthly wage in portfolio companies is around **50% higher than the average wage in sub-Saharan Africa**.

\$1,129

average wage in
portfolio companies



\$657

average wage in Sub-
Saharan Africa (*)

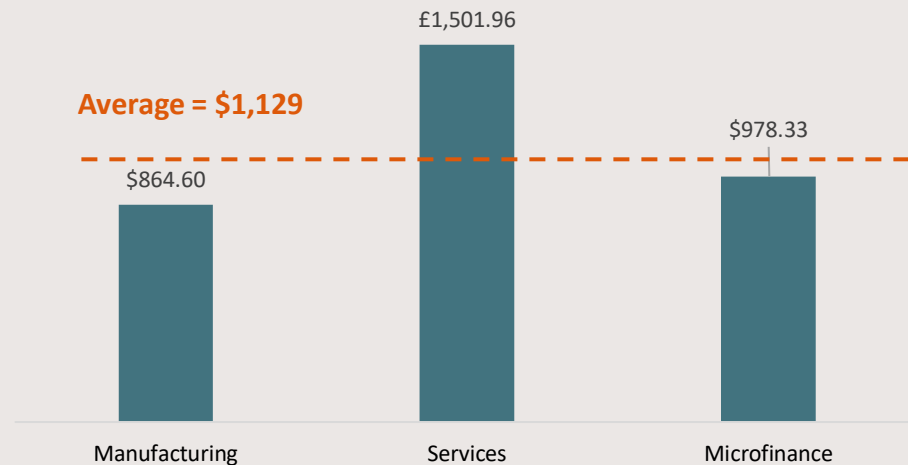
Wages and qualifications

Current portfolio performance: 30% of high-skilled employees

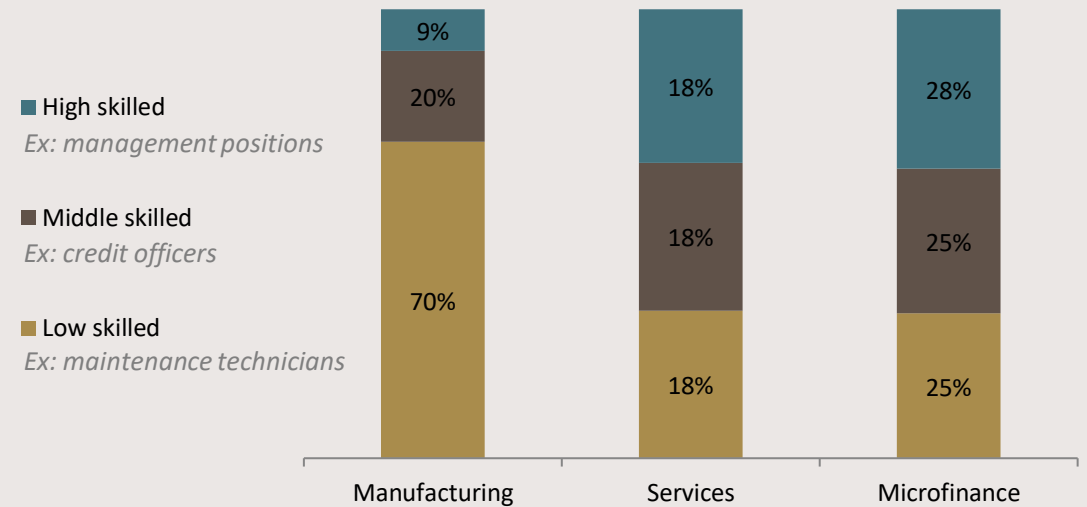
Wages are higher in the services and microfinance sectors. This can be partially explained by the high proportion of skilled jobs in these sectors, for instance in the IT field.

Wages are lower in the manufacturing sector because it accounts for a majority of low-skilled jobs. It still provides a stable wage for low-income people who lack education.

Average monthly wage in our investee companies by sector (US\$, PPP)



Employment breakdown per qualification, per sector



Focus on formal employment

An in-depth study underlining the benefits of formal job

I&P and FERDI (Foundation for Studies and Research on International Development) carried out a study on the social and economic impacts of employment and explored the impacts of an employment contract in the Senegalese and Malagasy contexts. In Senegal, over 200 employees were interviewed, in 6 portfolio companies covering several sectors, hierarchical levels and contract types. Here are the main findings of the study:

Access to employment

70% of employees obtained their first job contract thanks to the companies surveyed

70% of employees experienced a period of unemployment before working in companies supported by I&P

A higher wage supporting an entire household

60% The average wage of a formal job at I&P's partner companies is 60% higher than the country average

9 The average household in Senegal has nine household members who benefit from the employee's income

Better financial inclusion

82% of employees have a bank account versus 42% of informal employees

50% of employees have been granted a loan versus 20% of informal employees

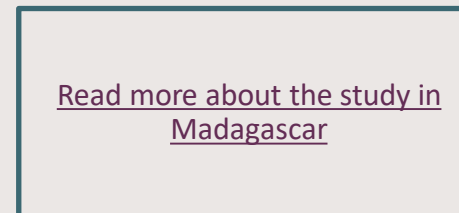
Essential social benefits

73% of employees have health insurance coverage for the first time, which extends to an additional person on average in the household

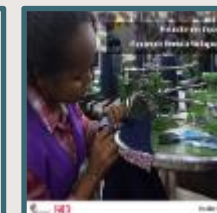
78% of employees are also enrolled for the first time in a pension program



[Read more about the study in Senegal](#)



[Read more about the study in Madagascar](#)



Addressing basic needs in Africa (1)

A majority of investments providing SDG-aligned essential goods and services

89%

of our partner companies address local needs of the African population or African companies (i.e. these companies focus on the local market and do not export)

74%

of our partner companies improve local access to goods or services that address essential needs and the UN Sustainable Development Goals *



GOAL 2: End hunger, improve nutrition and promote sustainable agriculture

Eden Tree: Provider of fresh fruits, vegetables and herbs

788 tons of fruits and vegetables sold in 2021



GOAL 3: Ensure healthy lives and promote well-being for all at all ages

NEST: Quality healthcare for women and children in Senegal

Pharmivoire: Intravenous fluids for Ivorian medical centers

17,989 visits at **NEST** in 2022



GOAL 4: Ensure inclusive and equitable quality education

Enko Education: Renowned, high quality education provider

3,985 students in 2022



GOAL 5: Achieve gender equality and empower all women and girls

50% of **Enko** students are women

43% of microfinance institutions' borrowers are women (**ACEP & FTB**)



(*) Investment companies can improve local access to essential goods or services, as direct providers or as part of the value chain. Essential goods and services include: food, water, sanitation, energy, land, health, lifelong education and learning, housing, clothes, media and information, new technologies, financial services for underserved populations, and passenger transport

Addressing basic needs in Africa (2)

A majority of investments providing SDG-aligned essential goods and services

6 CLEAN WATER AND SANITATION



GOAL 6: Ensure availability and sustainable management of water and sanitation for all

Barajii: Produces and commercializes water and locally produced fruit juices

Delta Irrigation: Saves water thanks to efficient irrigation systems

576 797hl of water and juices sold in 2022

9 INDUSTRY INNOVATION AND INFRASTRUCTURE



GOAL 9: Build resilient infrastructure, promote inclusive and sustainable industrialization

SOFAMAC, Carrières et Chaux du Mali: Building material industries

ENVAL : Microbiological and physico-chemical tests and analysis

Trianon : Building company

CONERGIES: Air conditioning and industrial cooling systems using energy-efficient technologies

13,246 tons of quicklime sold in 2022

7 AFFORDABLE AND CLEAN ENERGY



GOAL 7: Ensure access to affordable, reliable, sustainable and modern energy for all

PEG: Brings off-grid solar energy access to rural and peri-urban communities in West Africa

15,724 solar kits sold in 2021

8 DECENT WORK AND ECONOMIC GROWTH



GOAL 8.3: Support productive activities and entrepreneurship, including through access to financial services

Microfinance (2 institutions to date, one exit): Access to affordable loans for small scale enterprises

107,049 borrowers in 2022

Ripple effect on local suppliers

SMEs build local networks of subcontractors

13

IPAE 1 SMEs
remaining in
portfolio

1,536

suppliers have
contracted with IPAE's
companies in 2022

€30M

in intermediate
consumption in
2022

77%

are local
suppliers

Agribusiness

Agribusinesses, in particular, generate business and income for thousands of local farmers.



1,900 tons of fruits and vegetables
collected in 2022 by SCRIMAD



7,326 small producers reached in 2022
by SCRIMAD, Eden Tree and PDS



41% of small producers are women
(SCRIMAD, Eden Tree and PDS subsidiaries)

Technical assistance

IPAE agribusiness investments play a key role in structuring local sectors. They rely on outgrower schemes and provide local farmers with technical assistance and other inputs (financing, seeds, etc.)

67%
of small producers
have received TA
and inputs*

*This data refers not only to IPAE-provided technical assistance but also to other programs implemented by the companies themselves



01. Impact thesis and methodology

02. Impact management in 2022

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Measuring impacts on local stakeholders

Enhancing outreach & impact with advocacy

Advocating for African entrepreneurship

I&P is committed to a policy of proactive advocacy for the recognition of SMEs as vectors of change and the promotion of appropriate financing solutions in Africa. We aim to go beyond I&P's impact alone - which is necessarily limited compared to the scale of the challenges facing the African continent - and have a multiplier effect to increase our contribution to the African development agenda.

Our advocacy resources

Publications



I&P regularly publishes studies that concretely address its areas of expertise: impact investment, support for SMEs, private equity, etc.

[Find out more about our reports and publications here](#)

Articles & Blog



I&P and FERDI manage the "Entreprenante Afrique" blog, a space for expression, experience sharing and economic knowledge on entrepreneurship in Africa.

[Visit the blog](#)

Videos



I&P highlights partner companies and team members through short videos and interviews.

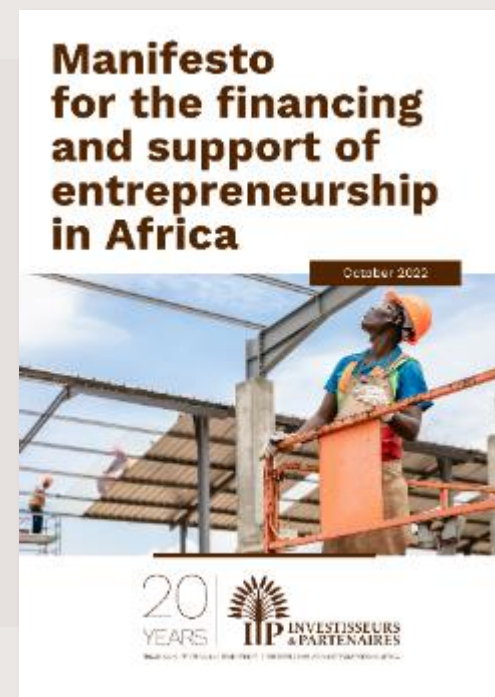
[Discover our videos](#)

Focus on I&P's manifesto

In 2022, I&P published its "Manifesto for the financing and support of entrepreneurship in Africa".

Based on 20 years of learning, entrepreneurial adventures, successes but also failures and challenges, this manifesto **shares five battles that we believe are essential** to accomplish our mission to serve the men and women entrepreneurs of Africa.

[Read more](#)



Our networks and commitments

I&P helps **grow the emerging ecosystem of impact investors** and exemplifies its mission through multiple networks. Our commitment is reflected in **external evaluations and certifications such as the B-Corp™ certification and the Operating Principles for Impact Management.**

Impact investing networks and certifications



Networks dedicated to the promotion of entrepreneurship and private equity



Promote entrepreneurial voices in Africa

Focus on the Club Africain des Entrepreneurs



In 2016, I&P sparked the creation of the **African Club of Entrepreneurs**, a pan-African NGO (based in Abidjan) that serves a threefold purpose:

- **Promote entrepreneurship in Africa** by shedding light on the activities of the members and promoting this initiative amongst different stakeholders, including youth and women.
- **Foster opportunities** by sparking new types of interactions between members on the local, national, regional and pan-African scales, to share best practices and foster business opportunities.
- **Enhance skills** for both the entrepreneurs and their employees, to develop local human resources.



Advocacy projects and main activities in 2022

ADVOCACY	The Club is one of the founding partners, a regular contributor to the editorial committee with I&P and FERDI of the blog "Entreprenante Afrique" .
TRAINING	Launch of the e-learning platform, a tool designed for the club's member entrepreneurs, but also for their employees. This platform allows to reinforce the capacities of the companies in order to improve the skills of the users on various topics treated. (May 2022)
COMMUNICATIONS	NEWSLETTER: The Club's newsletter is published at least once a quarter and presents the activities and information about the member entrepreneurs and their companies. FOCUS ENTREPRENEURIAL is a section on our social networks where we promote our member companies by highlighting their strengths and services. CLUB SOCIAL NETWORKS : Relaunch the club's Facebook page ; opened a LinkedIn page; opened a YouTube channel
MEETING OF ENTREPRENEURS IN COUNTRY CLUSTERS	<ul style="list-style-type: none">▪ Mali: April 29th, 2022 in Bamako Official launch of the Club's activities in Mali.▪ Niger: November 8th, 2022 in Niamey Theme: "Recruiting and retaining its Human Resources".▪ Senegal: November 17th, 2022 in Dakar Second edition of the Club's entrepreneurs' meeting in Senegal.
ANNUAL ENTREPRENEUR SEMINAR	After a few years of downtime due to the Covid-19 crisis, the 9th edition of the annual entrepreneurs' seminar was held in Paris from June 14th to 17th, 2023. The theme for this year was "Digital as a tool for corporate performance" .

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