



I&P DÉVELOPPEMENT 2

ANNUAL ESG AND IMPACT REPORT

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FOREWORD



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IPDEV2's mission is about reaching development impact through entrepreneurship. We deliver on this mission by grooming African investment teams and partnering with African investors, **generating together a new industry of capital investment professionals dedicated to financing promising startups and SMEs.** We invest in companies that have a strong growth potential and are oriented towards impact — inclusion, growth and job creation — and achieving this through formalization. At I&P, we are convinced that SMEs are a key lever for inclusive development in Africa, particularly for the inclusion of women: more than 70% of the SMEs supported by the IPDEV 2 teams are SMEs that generate a positive impact on women, according to the 2x Challenge criteria.

The heavy toll taken by the pandemic in 2020 is, unfortunately, not only about the virus's direct victims, but also about losses in revenue for millions of people who lost their jobs in many sectors due to the economic consequences of the crisis. Many companies were hit hard. **The SMEs and investment teams supported by IPDEV 2 have all gone through a particularly tough period,** in a wide variety of situations, depending on the context in each country. **In all cases, the SMEs in the portfolio have shown outstanding resilience and a strong capacity to adapt quickly to unprecedented life and work conditions.** All of them have done their utmost to protect their teams and employees. Some have pivoted and entirely changed their business model, delivering their products directly or finding alternative supply sources. Some have gone 100% virtual in just few weeks. This shift would have taken months in other circumstances and shows remarkable agility in such an unexpected context. Thanks to the effort and dedication of our partner companies, the average growth of turnover in 2020 throughout the portfolio was still about 40%, despite the pandemic. The IPDEV 2 teams played a key role in supporting the portfolio companies in this crisis, including financially.

In the new situation that will prevail after the pandemic, **the role of entrepreneurs will be even more instrumental in transforming African economies and creating more stable jobs.** More than 43,000 stakeholders were directly or indirectly impacted through the SMEs supported by IPDEV 2 and this figure will continue to grow over time.



Job ZONGO

Co-founder & Director, Sinergi Burkina

The emergence of the coronavirus in 2020 has affected the global economy and Africa is not an exception. Closure of local markets and other businesses, restriction of cross-border and internal movements, slowing down of factory and transport activities have disrupted supply chains and caused the collapse of investment and consumption. However, the pandemic was also an opportunity for us to question our practices and demonstrate our agility, creativity and resilience in times of crisis.

Sinergi Burkina, in Burkina Faso, encountered some challenges which included how to keep providing close support to the portfolio companies and how to continue making new investments. When the first case of COVID-19 was confirmed in Burkina Faso in March 2020, Sinergi Burkina's first instinct was to **closely work with portfolio companies to ensure the continuity of their businesses and the safeguarding of jobs.** As a result, a Covid plan was drawn with each of them. This plan considered the health measures to be put in place, the main operational risks caused by the crisis, the impact of the crisis on jobs as well as technical assistance needed. Appropriate additional funds were raised to support these companies in setting up marketing and sales plans, digitizing activities, and financing short-term needs.

Despite the fact that the pandemic contributed to the lengthening of due diligence deadlines and brought some changes in the investment process, **Sinergi Burkina made its first investments outside the capital,** Ouagadougou: one at Bobo-Dioulasso, the country's second largest city, and another one at Bagré in the south-east of Burkina Faso. 2020 also saw the end of the PACE/USAID seed funding program and the launch of I&P Acceleration in Sahel, an EU-funded seed program, which led to the financing of five new early-stage companies, resulting in the creation and maintaining of decent and secure jobs.

Resilience has also been reflected in the leadership of entrepreneurs, their managerial courage and their ability to make bold decisions, as they were able to appreciate the opportunities and risks presented them, and overcome their fears to engage in change and innovation. For instance, Umanis (IST) succeeded in making its e-learning platform operational for more than 3,000 students; Agroserv Industrie, a corn processing unit, also succeeded in recalibrating its equipment to increase the production of corn flour and semolina to compensate for the losses in the sales of grits, its main product, and Palobdé, a feminine hygiene company, was very active in the production of masks.

Today, although we are unable to predict the future, we remain optimistic. **In 2021, COVID-19 will no longer be a shock but rather a lesson learned.** We have learned to speak differently, to organize ourselves differently, to manage differently — but always with the same desire to make an impact — economic, social and environmental through our intervention.

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IST © Olympia de Maismont

I&P: AN OVERVIEW

Launched in 2002, Investisseurs & Partenaires (I&P) is a pioneering impact investment group entirely dedicated to financing and supporting small and medium-sized enterprises (SMEs) and start-ups in Sub-Saharan Africa.

● A COMMITTED TEAM OF 100 FRANCO-AFRICAN STAFF

○ Based in **10 African sites**: Burkina Faso, Cameroon, Côte d'Ivoire, Ghana, Madagascar, Mali, Niger, Senegal, Uganda, as well as **in Paris and Washington D.C.**

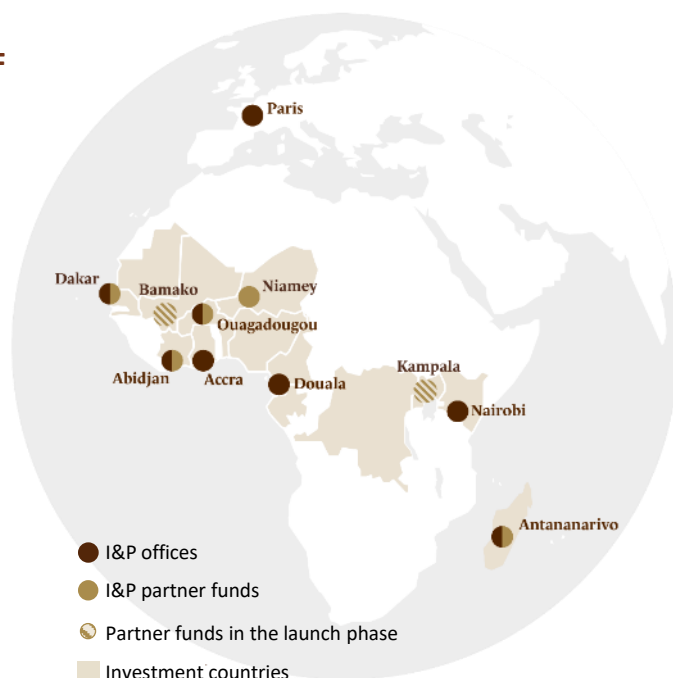
○ I&P and its partner funds have raised **€210+ million** from African and international investors.

● MORE THAN 170 COMPANIES SUPPORTED

○ **120** capital-funded companies and 50 companies benefiting from subsidized acceleration programs

○ With financing needs ranging from **€10,000 to €5 million**

○ Based or operating in **15 Sub-Saharan African countries**



● 3 COMPLEMENTARY LINES OF BUSINESS

I&P's model is based on three complementary activities that address the challenges of lack of access to finance and managerial skills faced by small and medium-sized African companies. I&P employs a variety of financial instruments (minority equity, quasi-equity investments, seed financing, loans) according to the investee company's size and maturity.



I&P ACCELERATION

Scaling-up young businesses through seed-funding and/or training programs.

€10,000 - €50,000



I&P DEVELOPMENT

Financing small businesses through a network of partner funds in 5 Sub-Saharan African countries.

€50,000 - €500,000



I&P EXPANSION

Directly supporting and financing the development of SMEs and start-ups and strengthening their impact.

€300,000 - €3 million

IPDEV 2 is part of I&P Development's line of business aimed at supporting national capacity building that supports local SMEs. This report also briefly presents I&P Acceleration's line of business. I&P Acceleration partners with IPDEV 2's funds in the implementation and support of Small and Growing Businesses (SGB).



OUR MISSION

THE CHALLENGE: UNLOCKING AFRICA'S JOB CREATION POTENTIAL

By 2050, Africa is expected to see **450 million people enter the job market, while only 220 million jobs are anticipated to be available**. Accelerating job creation requires a focus on startups and SMEs: this is key to ensuring the sustainable development and political stability of the continent.

Most African SMEs are still operating on a small scale due to a lack of funding. They require between 50,000 and 500,000 EUR in funding in order to scale. **Yet very few investors are able to provide them the financing and managerial support needed to help their businesses expand their operations.**

Fostering the growth of these small-scale businesses and Africa's future job creators requires the emergence of **new impact fund managers who can leverage local capital and build innovative models** that offer financing adapted to the needs of African SMEs.

IPDEV 2'S APPROACH TO BUILD AFRICAN TEAMS

IPDEV 2 is building the **first community of African impact fund managers** dedicated to early-stage and Small and Growing Businesses (SGB) in order to strengthen local capacities and funds that address the particular challenges SMEs face. These entrepreneurs are change makers and catalysts for economic growth and job creation.

Our mission is to **share the methodology of equity investment and sponsor newly formed African investment teams based in Africa** via in-depth partnerships designed to launch their businesses and address their main challenges. IPDEV 2 provides a wide range of support, including anchor investment, grants, tools, coaching and a network of African and international mentors, investors and entrepreneurs. IPDEV 2 also leverages African capital to fuel the growth of these most promising SMEs.

The **network of fund managers is a community through which they can share values, experiences and a common goal of growing early-stage SMEs and SGBs**. It provides continuous capacity building and peer learning opportunities that enable members to improve on their practices and increase their overall impact.

IPDEV 2's **10 African Funds** aim at financing up to **500 early-stage SMEs** in **10 countries** in **10 years**. The support brought through its funds focuses on SMEs' scalability and profitability, which will enable more job creation, more formal jobs and more essential goods and services development. The growth of these promising SMEs also has a ripple effect on suppliers, contributes to the structuring of smallholder networks and increases tax contributions that will benefit local communities.

Macroeconomic context

450M

of young people in the job market by 2050

only **220M** jobs anticipated to be available

IPDEV 2's long-term impact objectives

10

African funds

500+

SMEs financed

15,000

jobs created or maintained

Range of support to IPDEV 2's funds



ANCHOR INVESTMENT

Providing 20% to 40% of the fund's investment capacity. The rest is raised from African and international investors.

Providing a soft loan to the fund enables back-to-back debt investments.



TOOLS

Developing a set of tools that cover the main areas of fund management (due diligence & investment, SME support, financial management & reporting, ESG and impact and communication).



TECHNICAL ASSISTANCE

Providing hands-on support at every stage of the fund launch and investment process, building of strategic partnerships and investor relations.



NETWORKING

Offering a pan-African and international network that brings together African and international investors, experts and mentors, entrepreneurs and other stakeholders.



GRANT FUNDING

Co-financing launch costs of investee funds and providing grant funding for SME capacity-building, team trainings, investment-readiness and seed funding.

OUR STRUCTURE AND IMPACT GOALS

IPDEV 2 works at launching funds in Africa and building local capacities that support an impactful SME portfolio and impact stakeholders while promoting best practices.

IPDEV 2

Sponsoring and supporting African impact funds (5 funds to date)

COMOÉ CAPITAL
PARTENAIRE D' IIP

COMOÉ CAPITAL
Côte d'Ivoire (2017)

MIARAKAP
PARTENAIRE D' IIP

MIARAKAP
Madagascar (2017)

TERANGA CAPITAL
PARTENAIRE D' IIP

TERANGA CAPITAL
Senegal (2016)

SINERGI
PARTENAIRE D' IIP

SINERGI BURKINA
Burkina Faso (2014)

SINERGI
PARTENAIRE D' IIP

SINERGI NIGER
Niger (2006)

Each African fund is:

*Recruiting and training local teams
(47 team members to date)*

*Financing and supporting impactful SMEs
(81 companies to date)*

OUR FINAL GOAL: ACCELERATING LOCAL SOCIO-ECONOMIC DEVELOPMENT

IPDEV 2 focuses on promising SBGs in all sectors not on its exclusion list that have a high impact potential on their local stakeholders and that promote inclusive growth with four key impact objectives:



EMPLOYEES

- Creating **quality jobs**
- Extending **social protection**
- Developing **skills**



CLIENTS

- Meeting **unsatisfied demand** for products and services
- Providing basic products and services to **base-of-the-pyramid** customers



SUBCONTRACTORS

- Contributing to the development of **local suppliers and distributors**
- Structuring **local sectors** upstream or downstream



STATES

- Contributing to **tax revenues**
- Promoting **technology transfers** and investments

OUR TRANSVERSAL OBJECTIVES: PROMOTING ESG AND IMPACT BEST PRACTICES



FORMALIZATION

- Pushing toward **full job formalization**
- Promoting access to **health insurance** for employees



GENDER EQUALITY

- Promoting women's access to **decent jobs and leadership positions**
- Developing SMEs with a positive impact on women



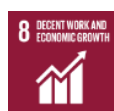
ENVIRONMENT

- Strong commitments with agribusiness companies to respect **biodiversity and soil preservation**
- Encouraging **energy-efficiency** and renewable energy initiatives

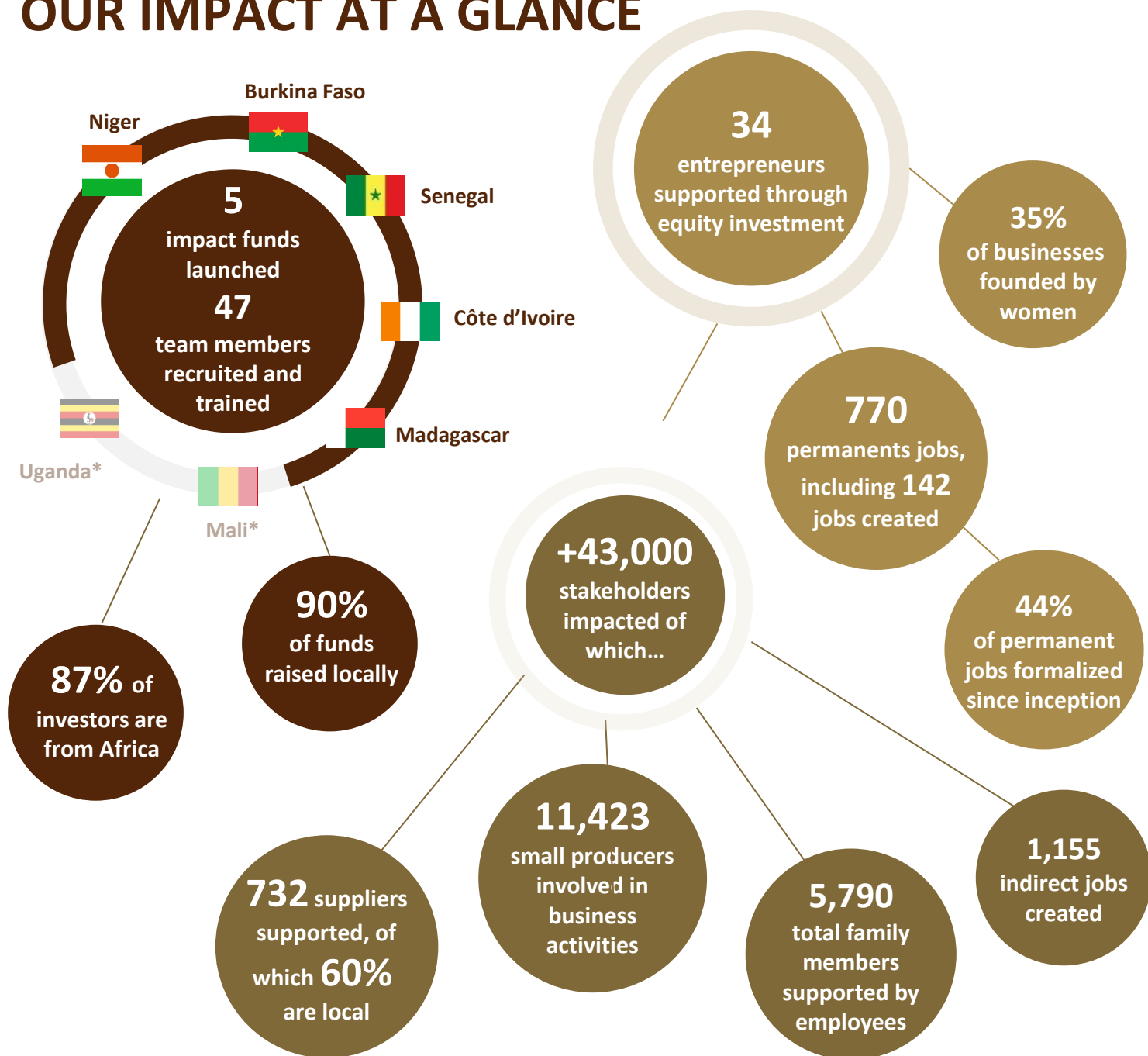


GOVERNANCE

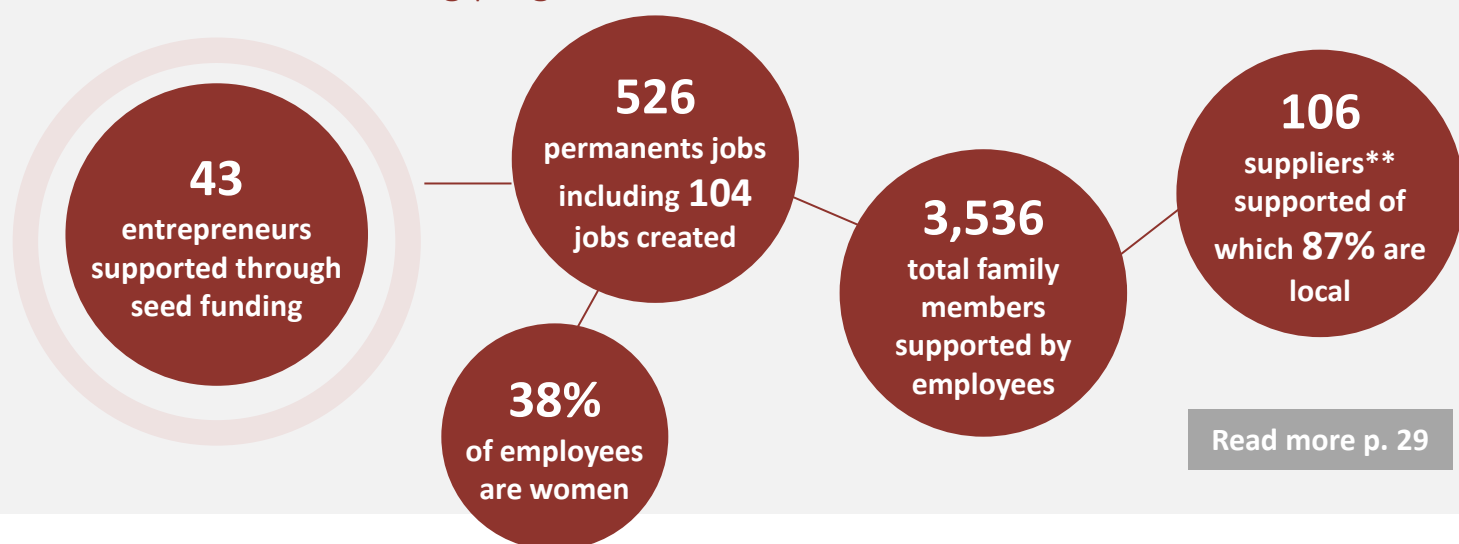
- Promoting good governance **at the African fund level** (board of directors, investment committee, ESG coordinator)
- And **at the SME level** (board of directors, reporting, etc.)



OUR IMPACT AT A GLANCE



Focus on our seed funding programs



[Read more p. 29](#)

*IPDEV 2 is launching two new funds in Mali and Uganda.

**The data on suppliers only concerns two seed programs for which data are available.

PARTNER' TESTIMONIES

Bineta Koné Coulibaly & Ndeye Anta Coulibaly Ba, SECAS
Senegal | Agribusiness | Teranga Capital | Since 2019

Previously named La Vivrière, SECAS, launched in 2019, is an industrial processing plant specialized in the processing and marketing of African and typically Senegalese products made of local cereals (millet, cowpea, fonio).

What drove you to launch the company back in 1992?

The products we offer, such as dehydrated and packaged couscous, simply did not exist on the local market. The preparation of these cereals, so often done by women, takes a lot of time...

Before launching this entrepreneurial project, I studied business management. It took a lot of audacity and patience, because we started from nothing!

How has the company evolved with the assistance of Teranga Capital and other partners?

Our products are selling very well, without advertising, in Senegal and abroad. The real challenge lies on the production side. Thanks to the support of Root Capital in 2012 and of Teranga Capital since 2019, we have been able to strengthen and increase our production capacity. We



went from 5 to 74 employees, and from a daily production of 10 kilos, to 3,500 tons.

The partnership with Teranga has also allowed us to strengthen our governance and improve our internal organization.

We are proud of the journey we have accomplished so far and of the fact that we are able to offer high-quality, locally produced and locally processed cereals, thus contributing to the national added value.

[See full interview](#)



Issa Compaoré, Institut Supérieur de Technologie
Burkina Faso | Education | Sinergi Burkina | Since 2019

Created in the 2000s on the initiative of M. Issa Compaoré, the Institut Supérieur de Technologies (IST) is a private technical and vocational higher education institution.

Issa Compaoré was trained as a State Engineer in Industrial Engineering and has more than 20 years of experience as an entrepreneur and consultant.

Can you tell us more about the creation and evolution of the Institut Supérieur de Technologies?

I launched IST in October 2000, with 64 students and two courses, in Electronics and Finance Accounting.

Twenty years later, we have more than 30 courses and we count 4,000 students and more than 500 professors! We also have launched 4 campuses around Ouagadougou, so as to bring our trainings closer to the students.

Beyond these numbers, I am proud to have initiated innovative trainings that did not exist in Burkina, such as industrial or electronic engineering. We have led the way on these trainings that are key to improve the qualification and employability of African human resources.

How did you adapt to the Covid-19 crisis?

Our campuses had to close for two months, in March and April 2020. This accelerated our digitization process. Even if we already had online classes, it was quite a challenge to provide online training for several thousands of students! We worked hard with the IT people to develop and improve our platform.

The partnership with Sinergi Burkina through *I&P Acceleration in Sahel program* has also been key to go through the crisis and to cope with the drop in income.

OUR FRAMEWORK AND OBJECTIVES

OVERVIEW

● KEY RESULTS

● COVID-19 IMPACT

● OBJECTIVES

IPDEV 2 sponsors African impact funds and contributes to building local capacities. These sponsors funds are dedicated to financing start-ups and early-stage businesses on the continent.

IPDEV 2 has raised **€44M**, including €21M in capital, €3.50M in grants and €19.250M in seed funding in order to create a network of 10 African impact funds over 10 years. The 5 funds **have raised an additional €19M locally** from 45 investors, including **87% of African investors**, with a leverage effect of €2.9 raised from other investors for every €1 invested by IPDEV 2.

Six years after inception, IPDEV 2 **has launched five African funds and plans to launch another five in the coming years**. Two funds are in the process of launching in Mali and Uganda. The COVID-19 crisis has had an impact on fundraising, causing delays in the launch.

Mandate	Sponsoring new African investment teams dedicated to SME equity investment
Size	€21 million
Geography	West Africa, Central Africa and East Africa
First close	October 2015
Final close	June 2018
Type of structure	Open-ended fund
Target impact	Launching 10 African impact funds and financing 500 early-stage SMEs
Target return	Low single digit
Investors	DFIs (AfDB, Proparco, BOAD), foundations, family offices and individuals
Technical assistance	USAID, World Bank, Proparco-AFD, Cooperation de Monaco, the European Union
Junior debt	AFD provided €3 million in long-term junior debt to IPDEV 2 to cover initial losses
Sectors	Various sectors outside I&P's exclusion list

KEY NUMBERS TO DATE

5

African funds launched and sponsored after 6 years of inception

100%

of the funds launched are in Least Developed and/or Fragile countries¹

¹As defined by the United Nations and the World Bank at the launch of the funds

100%

of the funds are the first SME impact funds registered in their respective host countries

87%

of investors are African

47

team members recruited and trained (vs 34 in 2019)

AN INNOVATIVE INCUBATING MECHANISM OF AFRICAN INVESTMENT FUNDS

In 2020, the IPDEV 2 portfolio added 3 new investee partners through Miarakap, Sinergi Burkina and Comoé Capital making a total of 34 equity investments (vs 31 in 2019). The equity investment pace was slowed down due to the COVID-19 crisis as the team focused on supporting investees in the portfolio (see COVID-19 impact section for more detail).

34 EQUITY INVESTMENTS



* 11 out of 34 investees benefited from seed funding through I&P Acceleration in the Sahel (funded by the European Union) to help them get through the COVID-19 crisis. These investees are not included in the seed investments listed below.

Seed financing investees, benefiting from zero-refundable advances without guarantees, account for **43 seed funding recipients** (from the USAID PACE program, I&P Acceleration in the Sahel, I&P Acceleration Technologies, the Pépinière Program, Partnership with CEPF and the program implemented with the Prince's Government of Monaco). In 2019, seed investments accounted for 32 SBGs.

43 SEED INVESTMENTS



* For the equity investments, we only report on 32 companies for which we have data (excluding XOOM which has not yet launched its business, and ITIIA for which the investment was made at the end of 2020) and which have an equity stake from IPDEV 2's funds. Neither the 43 seed investments or the exited SMEs (in Niger) are included. Within the 32 companies, the impact data from Halal are from 2018 as the company has encountered operational difficulties and has temporarily stopped its activities.

KEY 2020 RESULTS, BY FUND

COMOÉ CAPITAL (CÔTE D'IVOIRE)

Employees

- **189** permanent jobs maintained or created, **43%** are held by women
- The minimum wage is on average **74% higher** than the minimum wage in Cote d'Ivoire
- **1,325** indirect beneficiaries of income distributed to employees

Suppliers and clients

- **16,669** customers (12,651 through Etudesk)
- **18,516** students of which 17,722 trained via e-learning (through Etudesk)
- **+1 mio** schoolbook published/produced and distributed (Valesse)
- **87** suppliers, of which **80%** are local

SINERGI BURKINA (BURKINA FASO)

Employees

- **171** permanent jobs maintained or created, **28%** are held by women
- The minimum wage is on average **91% higher** than the minimum wage in Burkina Faso
- **1,206** indirect beneficiaries of income distributed to employees

Suppliers and clients

- **10,620** small producers
- **77** suppliers of which **83%** are local
- **743 tons** of soybeans collected and **2,322 tons** of maize purchased from smallholder farmers
- **3,335** students (UMANIS)

MIARAKAP (MADAGASCAR)

Employees

- **238** permanent jobs maintained or created, **31%** are held by women
- The minimum wage is on average **42% higher** than the minimum wage in Madagascar
- **1,352** indirect beneficiaries of income distributed to employees

Suppliers and clients

- **7,769 kg** of chicken bought from local producers
- **96** suppliers, of which **99%** are local
- **1,432** customers (APEM PAIQ), **70%** of whom are women, **22%** of new customers
- **188** students, **63%** of whom are women (Vatel)

TERANGA CAPITAL (SENEGAL)

Employees

- **151** permanent jobs maintained or created, **44%** are held by women
- The minimum wage is on average **83% higher** than the minimum wage in Senegal
- **1,752** indirect beneficiaries of income distributed to employees

Suppliers and clients

- **126** customers
- **389** students (CAIF)
- **416** suppliers of which **47%** are local

SINERGI NIGER (NIGER)

Employees









- **21** permanent jobs maintained or created; **10%** are held by women
- The minimum wage is on average **7% higher** than the minimum wage in Niger
- **156** indirect beneficiaries of income distributed to employees

Suppliers and clients

- **56** suppliers of which **25%** are local
- **12,000** clients (EAL)
- **+24** books sold (EAL)



EVOLUTION OF OUR GOALS

ACCELERATING LOCAL SOCIO-ECONOMIC DEVELOPMENT		2020	2019	At Investment
	Financing and supporting African SMEs -----	34	32	
	Creating quality jobs			
	• Permanent jobs -----	770	840	628
	• Job creation -----	142	176	N/A
	• Average wages to legal minimum wages -----	1.76	1.55	1.69
	• Social protections -----	78%	62%	49%
	• Skill development -----	8%	32%	6%
	Meeting unsatisfied demand for products & services			
	• SMEs addressing the SDGs through their products/services -----	76%	77%	
	Subcontractors			
	• Share of local suppliers -----	60%	76%	N/A
PROMOTING ESG AND IMPACT BEST PRACTICES				
	Formalization			
	• Share of formalized employees -----	78%	79%	42%
	• Private health insurance for employees -----	39%	2%	N/A
	Gender equality			
	• Women entrepreneurs -----	35%	39%	
	• Highly-skilled women -----	31%	23%	22%
	• Women employees -----	35%	40%	35%
	Environment			
	• SMEs implementing systems to reduce negative impact on local ecosystem -----	22%	10%	0%
	Governance			
	• SMEs with a board of directors or a strategic committee -----	100%	100%	3%

COVID 19'S IMPACT

Sub-Saharan Africa has been hard hit by the COVID-19 pandemic, with business activity in the region shrinking by an estimated **3.7%** in 2020. **Growth** is forecast to resume at a moderate average pace of **3% in 2021-22—0.4 percentage points weaker than previously projected**. There was also a hike in **government indebtedness** in 2020, as economic activity and government revenues sharply fell while pandemic-related spending rose appreciably, mostly with the combination of the disruption of China-related supply chains, the collapse of the export market towards Asia and Europe, and the unprecedented drop in oil and key mineral prices. Moreover, **remittance inflows**, which are the main source of external financial contribution in Africa, **dropped by about 7%** down to 78.3 \$ billion-in 2020. **The impact of the crisis on our companies is at several levels** -- significant loss of revenue, negative or decrease net income, some companies managed to experience positive job growth and revenue, decrease in female employees (by 13%), treasury crisis and staff reduction. In these circumstances the IPDEV 2 teams have worked to safeguard their impact via four key interventions:

FOCUS ON SECURITY AND POLITICAL CONTEXT :

In Africa, many peace processes continued despite the disruptions due to COVID-19. Nevertheless, the pandemic posed new threats to fragile gains. This was particularly true when peace or security agreements were being negotiated, or in countries undergoing political transitions. In 2020, nine countries held elections for the presidential chair, including Ivory Coast. Uncertainty during the election period contributed to slow economic activity in those countries. Two military putsch in Mali accentuated instability in a country already weakened by a security crisis, and the crisis spread even more in neighboring countries like Burkina Faso. Conflicts between States and armed groups as well as attacks on civilian populations continued to intensify, causing hundreds of thousand of people displaced. The COVID-19 context complicated the fight against violent extremism and increased the need for support to maintain this mobilization while combating the virus.

- ➔ **Emergency funding and job preservation:** 563 jobs were saved, of which 226 were permanent jobs directly threatened due to lockdowns and collapsing sales, through emergency funding to 11 SMEs (in agribusiness, education, health and public advertising), in the form of zero-interest loans funded by the program I&P Acceleration in the Sahel. 9 other SMEs raised funds outside I&P.
- ➔ **Crisis management and pivoting SMEs:** IPDEV 2 teams strengthened their support to portfolio SMEs, enabling 10 SMEs to keep growing their sales during the crisis and hire new employees.
- ➔ **Hands-on strategic and operational support** was brought by IPDEV 2 teams to the entrepreneurs in the portfolio in the areas of crisis management, supply of sanitary equipment (hydroalcoholic gel and masks), reorganization of production and distribution, etc.
- ➔ **Keeping investments going:** the teams focused on portfolio support and therefore slowed their new equity investments. However, they kept funding new SMEs in their markets, especially by making 11 new seed investments in 2020, a strong increase compared to the 32 seed investments made in 2019.

Despite the efforts made, some companies (approximately 25%), are still suffering from the crisis. These companies were the most fragile investees before the pandemic. The effect of the pandemic for the coming years remains uncertain. The situation for all the investees will continue to be reassessed.



FOCUS ON 4 INVESTEEES

Chicky, Service, Equity Investment, Madagascar

Chicky was hit hard by the COVID-19 crisis due to a 5-month lockdown in Madagascar. The company quickly adapted its business model by developing home delivery that started with 10 staff members who had not been placed in partial employment. This activity represented around 50% of the pre-Covid turnover and Chicky was able to keep 63% of its staff members.



Tropic 105 and Michèle Yakice, Manufacturer and Education, Equity Investments, Cote d'Ivoire

The two companies teamed up to produce masks during the crisis. The masks were certified (AFNOR) and were marketed to both multinationals and vulnerable populations thanks to their affordable selling price. This activity represented nearly 80% of their turnover. Tropic 105 kept its level of employment and added one person to the team.



Palobdé, Health, Seed Investments, Burkina Faso

The company had to quickly develop a new strategy to face the COVID-19 outbreak as it anticipated a decline in demand. They diversified their offerings by refocusing the production on the manufacturing of face masks. Almost 100,000 masks were sold. This quick pivot enabled them to maintain their growth momentum, keep their employees and even recruit additional staff.



Vatel, Education, Equity Investment, Madagascar

Vatel implemented a distance learning solution for students, enabling them to continue courses when the lockdown in Madagascar occurred. The company registered a decrease in number of students, but registered an increase in turnover. The company was able to keep almost all its employees losing only one person in 2020.



LAUNCHING IMPACT FUNDS

5 FUNDS TO DATE

● BLENDED FINANCE

A NETWORK OF SPONSORED FUNDS

IPDEV 2 aims at contributing to creating and strengthening the equity financing sector of SMEs in Africa **by structuring African funds, and recruiting and training local teams** in SME financing, ESG risk and impact management and fundraising.

Six years after IPDEV 2's inception, 5 sponsored impact funds are operational in 5 African countries, and 2 are launching in Mali and Uganda. **47 team members have been recruited, 7 of whom** (at Sinergi Niger, Sinergi Burkina, Comoé Capital and Teranga Capital) are dedicated to I&P's Acceleration in Sahel program. **All team members have benefited from training on capacity building in investment as well as in strategic, managerial, operational and impact support to investees.**

€19M

raised locally by IPDEV 2 funds from **45 investors**

87%

of investors at the IPDEV 2 fund level are **African**

IPDEV 2 is also contributing to a strong leveraging effect for its funds by mobilizing capital from African investors. €44M, including €21M in capital and €3.50M in grants and €19,250M in seed funding has been raised by IPDEV 2.

LEVERAGE EFFECT OF IPDEV 2'S INVESTMENT



(*) This figure is computed by dividing the amount invested by other investors at the time of the initial investment by the amount of IPDEV 2's investment.

100%

are the **first SME impact funds** registered in their respective host countries

47

team members, as of December 31, 2020



TERANGA CAPITAL
Senegal (2016)



SINERGI BURKINA
Burkina Faso (2014)



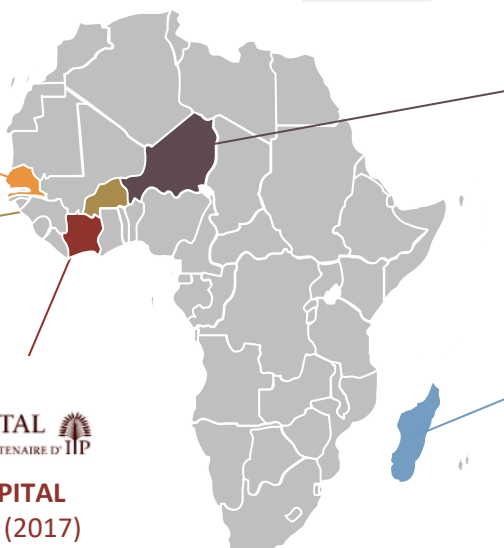
COMOÉ CAPITAL
Côte d'Ivoire (2017)



SINERGI NIGER
Niger (2006)



MIARAKAP
Madagascar (2017)



COMOÉ CAPITAL: OVERVIEW

Country	Côte d'Ivoire
Launch	2017
Size	€6.6 million



Comoé Capital is supported by **8 key investors** in the Ivorian business landscape, including banking institutions (NSIA, SGBCI), corporations and private actors (I&P, Orange, Hotter, Eurofind) and entrepreneurs who have joined together in an open-ended investment company. Comoé Capital partnered with the Jacobs Foundation and launched the Education Impact Fund, focused on **education sector** SMEs.

10 TEAM MEMBERS (as of December 31, 2020)

Members of the program, I&P Acceleration in the Sahel



Adama FOFANA
Investment Manager



Djibril DOUMBIA
Principal



Issa SIDIBÉ
Managing Director



Granh Daniel DJAMA
Investment Officer



Elena HABA
Seed Funding Manager



Brigitte ABBÉ
Investment Officer



Dyane TCHAGAG
Office Manager



Kevin ALLAH
Investment Officer



Rasmey CHHUN
Investment Officer



Jessica MIESSI
Seed Funding Project Officer

10 EQUITY INVESTEES (as of December 31, 2020)

Investees of the Education Impact Fund

COMPANY	INVESTED IN	SECTOR	DESCRIPTION	ONE KEY RESULT
VALESSE ÉDITIONS	2017	Publishing	An Ivorian publishing company	97% of books written by local authors
ETUDESK	2017	Education	A tailor-made e-learning platform	7x more users enrolled
RAMA CEREAL	2018	Agri-business	A cereal (millet, corn, rice) processing company	Cereal purchases increased by 1.65% since investment
HOME MEDICAL SERVICES	2018	Health	Private medical center offering day care	2,741 clients
TROPIC 105	2019	Textile	Clothing manufacturer (Ciss St Moïse brand)	95% local textile used
EIFP MICHELE YAKICE	2019	Education	A training school specialized in sewing and fashion design	100% apprentice success rate
IMGH	2019	Education	Hotel and catering training institute	76% student success rate
LA COCCINELLE	2019	Education	A pre-school for 2-to 6-year olds	25 children on average/class
STUDIO KÄ	2019	Education	A 2D/3D children's animation producer that promotes African cultural heritage	5 episodes produced
ITIA	2020	Agri-business	Organic dried fruit production for exportation	100% certified organic

7 SEED INVESTEEES (as of December 31, 2020)

PÉPINIÈRE PROGRAM

The Pépinière program is directly implemented by Comoé Capital, which raised funds from the French Development Agency.



COMPANY	INVESTED IN	SECTOR	DESCRIPTION	ONE KEY RESULT
AXOLUS	2019	ICT	Civil engineering	Approval received from key telecommunication operators
GAN LOGIS	2019	Agri-business	Production of certified seeds	Certified rice producer
NAIMA-DOLLS	2020	Education/ publishing	Educational game design	100% of employees are women

Note: Almost all the companies that benefited from equity investment also benefited from a pre-investment technical assistance through the Pépinière program. E'Sens was also a beneficiary of a technical assistance from the program.

I&P ACCELERATION IN SAHEL

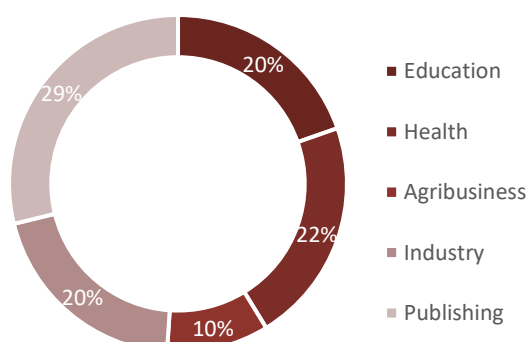
Comoé Capital is a beneficiary of the program I&P Acceleration in the Sahel, financed by the European Union.



COMPANY	INVESTED IN	SECTOR	DESCRIPTION	ONE KEY RESULT
ECOLCLAIR	2020	Services	Industrial laundry	10 B2B clients
E'SENS	2020	Agribusiness	Essential oil production	69 small producers
SYN'EL	2020	Agribusiness	Natural fruit ice cream sold under the brand name "Paleta"	189kg of fruits bought from small producers
ZATWA	2020	Agribusiness	Cassava production	50T of cassava sold

Note: 3 equity investees (Etudesk, IMG and Rama Cereal) have benefited from I&P Acceleration in the Sahel seed financing to help them get through COVID-19 crisis.

EQUITY PORTFOLIO, INVESTED AMOUNT



MIARAKAP: OVERVIEW

Country	Madagascar
Launch	2017
Size	€3 million



Miarakap is supported by **15 key investors in the Malagasy landscape**, including financial institutions, corporations, entrepreneurs and a mobile operator.

Miarakap developed a partnership with the **Critical Ecosystem Partnership Fund (CEPF)** and the **Prince's Government of Monaco**.

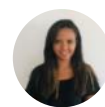
8 TEAM MEMBERS (as of December 31, 2020)



Andry RAVOLOLONJATOVO
Communication Manager



Herinantenaina RABEMANANTSOA
Senior Investment Officer



Koloina RAMANANTSOA
Financial and Administrative Director



Emmanuel COTSOYANNIS
Managing Director



Herinjatoelina RAMIARISON
Investment Director



Stella HERIMIARANDRAISOA
Office Manager



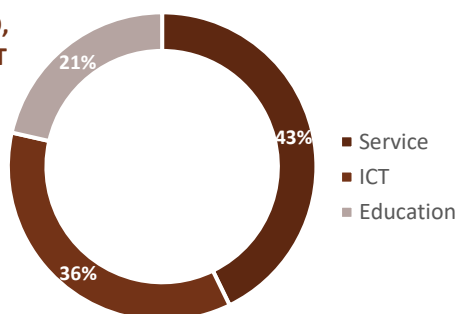
Eric RAVOHITRARIOVO
Senior Investment Officer



Koloina Anjatiana RAMAROMANDRAY
Senior Investment Officer

5 EQUITY INVESTEEES (as of December 31, 2020)

EQUITY PORTFOLIO,
INVESTED AMOUNT



COMPANY	INVESTED IN	SECTOR	DESCRIPTION	ONE KEY RESULT
CHICKY	2018	Services	A fast-food restaurant specializing in chicken.	35% of employees are under 25 years old.
APEM PAIQ	2019	Services	A microfinance institution for small urban entrepreneurs.	70% of clients are women.
VATEL	2019	Education	A business school offering top training in the hotel and tourism industry.	Won Best Hospitality Management School Award.
HAIRUN TECHNOLOGY	2019	ICT	Specializes in designing and developing web, mobile and server applications.	36% job growth in 2020.
SMARTPREDICT	2020	AI	An automated AI platform for designing AI projects in a simple and customizable way.	210 users since launch.

3 SEED INVESTEEES (as of December 31, 2020)

CEPF PARTNERSHIP



The partnerships with the CEPF and the Prince's Government of Monaco are directly implemented by Miarakap.

COMPANY	INVESTED IN	SECTOR	DESCRIPTION	ONE KEY RESULT
MORINGA WAVE	2019	Agribusiness	Moringa and by-products	HACCP protocol implemented
SUPERMARCHE. MG	2020	Distribution	Online supermarket	Recovers and recycles empty bottles

I&P ACCELERATION TECHNOLOGIES

Miarakap is a co-partner of the program I&P Acceleration Technologies



COMPANY	INVESTED IN	SECTOR	DESCRIPTION	ONE KEY RESULT
JIRO VE	2020	Energy	Supply of electricity through rental lamps	13,158 lamps rented

Note:

1 equity investee (Smart Predict) is also part of the I&P Acceleration Technology program.



Jiro-Ve © Hedi Yanulis Photography

TERANGA CAPITAL: OVERVIEW

Country	Senegal
Launch	2016
Size	€6 million


















Teranga Capital is the first Senegalese fund dedicated to start-ups and SMEs. The fund has invested between €50,000 and €300,000 in promising Senegalese SMEs.

Teranga Capital is supported by **7 key investors in the Senegalese landscape**, including financial institutions, corporations, a mobile operator and entrepreneurs.

15 TEAM MEMBERS (as of December 31, 2020)

Members of the program I&P Acceleration in the Sahel

 Adrienne NDONG Investment Officer	 Ingrid Lydie ASSENA Office Manager	 Mohamed NGOM Investment Manager	 Oumar YANNI Analyst	 Water OUEDRAOGO Analyst
 Aminata TOURE SECK Program Manager	 Khadija TOURE Investment Manager	 Ndeye Diago DIEYE Program Director	 Ousmane NIANG Investment Officer	 Fady CISSE Seed Funding Officer
 Djiby NDIAYE Technical Advisor (in financial inclusion)	 Mélissa NGOMA-MBY Analyst	 Olivier FURDELLE Managing Director	 Sanou Diouf KANE Financial, Accounting and Administrative Affairs Officer	 Fatou DIOP Seed Funding Manager

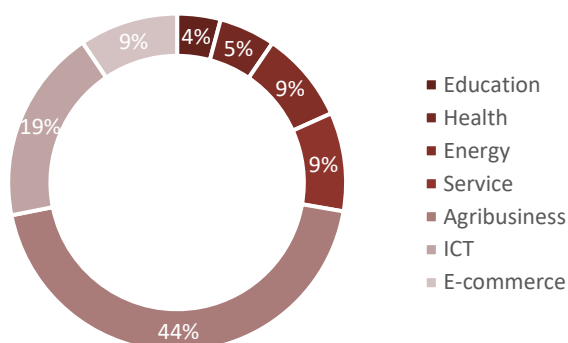
11 EQUITY INVESTEES (as of December 31, 2020)

COMPANY	INVESTED IN	SECTOR	DESCRIPTION	ONE KEY RESULT
SUGU	2017	E-commerce	E-logistic services for BtoB and BtoC.	1,560 orders made.
COGELEC ENERGY	2017	Energy	Electrical engineering company in rural areas.	15 pieces of equipment distributed.
LYSA & CO	2017	Agribusiness	Processing and distribution of cashews and peanuts.	51 tons of cashews and peanuts sold.
GOLDEN NUTS AND GRAIN	2018	Agribusiness	Production and distribution of local juices under the brand name "Goût d'Or".	5x more selling point partners.
CAIF	2018	Education	A training center for sewing and catering.	25% year-on-year student growth.
CLINIQUE DENTAIRE LE CAP VERT	2018	Health	A dental care clinic.	21% year-over-year consultation growth.
LA VIVRIERE (SECAS)	2019	Agribusiness	Processing and distribution of local cereal grains.	3x of cereal grains purchased.
FIREFLY	2019	Service	Outdoor advertising in public transport.	20% increase in advertising campaigns.
LAFRICA MOBILE	2019	ICT	Large-scale mobile communication throughout the WAEMU area.	58% increase in customers.

11 EQUITY INVESTEEES (CONTINUED)

COMPANY	INVESTED IN	SECTOR	DESCRIPTION	ONE KEY RESULT
KOOD	2019	Agribusiness	Production and distribution of ice cream under the brand name "Milky".	80% increase in products sold.
XOOM	2019	ICT	A Gambian internet service provider.	

EQUITY PORTFOLIO, INVESTED AMOUNT



7 SEED INVESTEEES (as of December 31, 2020)

USAID PACE PROGRAM

Teranga Capital is a beneficiary of the USAID PACE program.



COMPANY	INVESTED IN	SECTOR	DESCRIPTION	ONE KEY RESULT
SETTIC	2018	Recycling	Waste collection and treatment	Additional funds raised from government agency
ETOUNATURE	2018	Wellness	Organic and medicinal plant cosmetics	B2B strategy reinforced with new contracts made
FARIFIMA	2019	Wellness	Cosmetics made from local resources	92% revenue growth
MATISSE	2019	Nutrition	Catering company	Increase in point of sales with station
ATELIER DES GENIES	2020	Education	Conception and distribution of pedagogical content	An e-learning platform developed

I&P ACCELERATION IN SAHEL

Teranga Capital is a beneficiary of the program I&P Acceleration in the Sahel, financed by the European Union.



COMPANY	INVESTED IN	SECTOR	DESCRIPTION	ONE KEY RESULT
LE LIONCEAU	2020	Services	Baby nutritional products	756 online orders in 2020
SETTIC	2020	Recycling	Waste collection and treatment	+25% increase in installed waste collection boxes
TERANGA AUTOMOBILES	2020	Services	Vehicle maintenance and repair	68% of employees are under 35 years old

Note:

3 equity investees (Firefly, Golden Nuts and Grain and KOOD) have benefited from I&P Acceleration in the Sahel seed financing to help them get through COVID-19 crisis.

SINERGI BURKINA: OVERVIEW

Country	Burkina Faso
Launch	2014
Size	€2.5 million



Sinergi Burkina is supported by **13 investors**, including key regional entrepreneurs and individual investors, national corporations and international impact investors.

8 TEAM MEMBERS (as of December 31, 2020)

Members of the program I&P Acceleration in the Sahel



Aïcha SAVADOGO
Investment Manager



Ernest COMPAORE
Senior Investment Analyst



Germaine NAGALO
Administrative and Accounting Assistant



Timothée OUOBA
Seed Funding Manager



Davy SOUBEIGA
Investment Manager



Job ZONGO
Managing Director



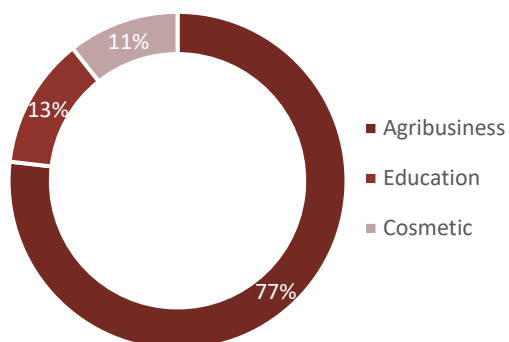
Soumaïla DERRA
Investment Analyst



Aboubacar SANOU
Seed Funding Officer

5 EQUITY INVESTEES (as of December 31, 2020)

EQUITY PORTFOLIO, INVESTED AMOUNT



COMPANY	INVESTED IN	SECTOR	DESCRIPTION	ONE KEY RESULT
SIATOL	2015	Agribusiness	Processes local soybeans into cooking oil and protein for poultry	82% soybean purchased from small producers
AGROSERV	2017	Agribusiness	A maize processing company	100% increase in smallholder farmers
ROSE ECLAT	2019	Agribusiness	Dried fruits and vegetables processing company	2x more smallholder farmers as suppliers.
IST (UNAMIS)	2019	Education	A higher institute of business management and technology	44% increase of students
SAVONNERIE PARFUMERIE DU HOUËT	2020	Cosmetic	Production and marketing of hygiene products made from shea butter	67% of employees have social security

14 SEED INVESTEEES (as of December 31, 2020)

USAID PACE PROGRAM

Sinergi Burkina is a beneficiary of the USAID PACE program.



COMPANY	INVESTED IN	SECTOR	DESCRIPTION	ONE KEY RESULT
MAMA	2018	Beverages	Water and fruit juices	52% of jobs formalized during financing
SOFACO-B	2018	Health	Processing of locally sourced cotton	100% of jobs created during financing
FASOPRO	2019	Nutrition	Processing of edible insects	22% of jobs formalized during financing growth
PALOBDE SERVICES	2019	Health	Affordable hygienic pads producer	10,000 hygienic kits distributed to young girls
LA FERME D'EMBOUCHE BOVINE	2019	Agribusiness	Meat processing activity	78% of jobs formalized during financing
MAÏA	2020	Health	Solutions against malaria producer	100,000 ointments produced
NOUVELLE VISION SCOLAIRE	2020	Education	School complex	2 new classrooms built
PRINCE DESSUTI	2020	Textile	Clothes manufacturer	Enhancement of local fabrics
BIOPROTECT	2020	Agribusiness	Organic inputs producer	ECOCERT certified

I&P ACCELERATION IN SAHEL

Sinergi Burkina is a beneficiary of the program I&P Acceleration in the Sahel, financed by the European Union.



COMPANY	INVESTED IN	SECTOR	DESCRIPTION	ONE KEY RESULT
AFRIK BOVIA	2020	Agribusiness	Cow milk and by-products producer	3,240 liters of cow's milk sold in 2020
LA MAISON FENEL	2020	Textile	Local fashion accessories producer	1,300 accessories sold in 2020
MONSALON PAS CHER	2020	Manufacture	Furniture manufacturing	+20% increase in clients
SALGATECH	2020	Energy	Cold room and solar kit production	150 solar kits installed in 2020
YAM AGRO	2020	Agribusiness	Production of local syrups, jam and wine	1,567 products sold in 2020

Note: 2 equity investees (Rose Eclat and UMANIS) have benefited from I&P Acceleration in the Sahel seed financing to help them get through the COVID-19 crisis.

SINERGI NIGER: OVERVIEW

Country	Niger
Launch	2006
Size	€1 million



Sinergi Niger is IPDEV2's pilot fund. Sinergi Niger has funded **10 SMEs** and exited 5 since its inception. Its investment capacity has reached €1 million, and includes funding by a bank, an insurance company and seasoned individual investors.

6 TEAM MEMBERS (as of December 31, 2020)

Member of the program I&P Acceleration in the Sahel



Ibrahima DJIBO
Managing Director



Mahamane Maharazou SANI ANGO
Seed Funding Manager



Samira AYOUBA MOUMOUNI
Administrative and Financial Assistant



Kamaloudini YAOU ISSOUFOU
Investment Manager



Mariama MOUSSA ABOUBACAR
Accounting Assistant and financial management support.



Thierry Etienne ABRAHAM
Investment Officer

3 EQUITY INVESTEES (as of December 31, 2020)

COMPANY	INVESTED IN	SECTOR	DESCRIPTION	ONE KEY RESULT
EDITION AFRIQUE LECTURE	2014	Education	Editing and manufacturing of extracurricular publications.	24k books sold
HALAL	2015	Agribusiness	Producing, packaging and distribution of improved local rainfed vegetable seeds.	41 local farmers
UNIFAM	2019	Industry	Manufacturer of agricultural equipment and school furniture.	6x the increase in agricultural equipment sold since investment

2 EXITS (as of December 31, 2020)

COMPANY	EXIT	SECTOR	DESCRIPTION	ONE KEY RESULT
SERVICING	2016	Service	Print and copy services for large companies	20% highly qualified employees hired
SAHEL LAB	2019	Industry	Preparation and analysis of chemical samples for mining	29% women employees

12 SEED INVESTEEES (as of December 31, 2020)

USAID PACE PROGRAM

Sinergi Niger is a beneficiary of the USAID PACE program.



COMPANY	INVESTED IN	SECTOR	DESCRIPTION	ONE KEY RESULT
GAICHA	2018	Wellness	Soap and oil production	58% of women employees, all formal
IDEE FEMININE	2018	Nutrition	Spices processing	67% jobs formalized during the financing
MADE'S GROUP	2018	Nutrition	Sweet potato chips and juice production	100% of jobs are formal
NIGER CHAUSSURES	2018	Manufacture	Shoe manufacturing	100% of jobs are formal
SALMA	2018	Agribusiness	Cattle feed production	68% of women employees, all formal
TECHINNOV	2018	Agribusiness	Smart irrigation devices	\$145k worth contract completed
INNOVATECH	2018	Agribusiness	Agribusiness equipment	Finalization of large revegetation project
SAHEL DELICES	2018	Beverages	Juice and jam manufacturing	63% of women employees, all formal
AINOMA	2018	Agribusiness	Improved seed production	~3,500 small producers in the network
TOTEM	2019	ICT	IT systems for schools	15 new schools in the portfolio
CREMIERE DU SAHEL	2019	Agribusiness	Manufacturing of dairy products	13 new distribution partners
NIGERCAB	2019	Transport	Taxi services	2 new cars acquired

I&P ACCELERATION IN SAHEL

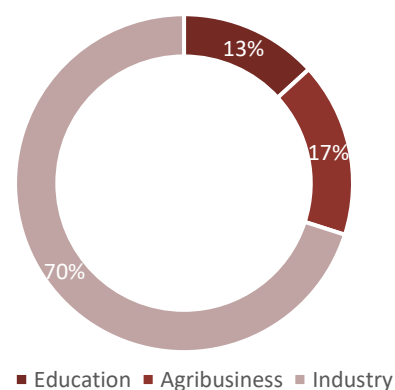
Sinergi Niger is a beneficiary of the program I&P Acceleration in the Sahel, financed by the European Union.



Note: 1 equity investee (Edition Afrique Lecture) has benefited from I&P Acceleration in the Sahel seed financing to help the companies get through the COVID-19 crisis.



EQUITY PORTFOLIO, INVESTED AMOUNT





Djibril DOUMBIA
Principal, Comoé Capital

Why did you join the Comoé Capital project?

My position requires involvement in the whole investment process including the monitoring of the investees. Comoé Capital's business model requires active deal sourcing and continuous improvement. As Principal, I also help the Managing Director to identify and execute necessary changes to keep Comoé Capital's investment and corporate strategy competitive.

What are your main contributions to the company?

The opportunity to have a 360 degree exposure to SMEs in Cote d'Ivoire. Moreover, by investing through equity in SMEs, we act as a pioneer as we are opening the way (so far successfully) to an attractive financial instrument for the full private equity industry in Francophone sub-Saharan Africa.

"The opportunity to have even a little input on a future big adventure is priceless."

What does it bring you ?

The opportunity to impact the social and economic environment and to be able to feel this impact in your day-to-day life. As a partner of entrepreneurs, we help businesses design and implement new projects and achieve their goals. The opportunity to have even a little input on a future big adventure is priceless.

What do you appreciate most about this project?

As Comoé Capital is built to make more and more investments, one of our future challenges will be to keep providing the same level of support to our investee companies. Our support is one of the key added value that brings competitiveness to our model.

Why did you join Sinergi Niger?

I have been an entrepreneur from the start. I also acquired experience, first supporting entrepreneurs and then in project management in an incubator in Niamey. I had the ambition to be able to support companies throughout the various stages of their life cycle as a financier, as I&P Acceleration in the Sahel program allows me to do today. Joining Sinergi Niger was a logical continuation of my desire to participate in the support, development and financing of the Nigerien private sector.

What are your main contributions to the company?

I am mainly involved in prospecting and upstream identification of companies that may be of interest to Sinergi Niger for its capital-investor business as well as for networking purposes.

What does it bring you and what are the challenges you see in the project?

I fully participate in the development of businesses in my country by providing financing and technical assistance solutions via the program-and by further strengthening the entrepreneurial ecosystem. This allows me to meet entrepreneurs from all walks of life in Niger on a daily basis, as well as public and private actors in the ecosystem. In terms of challenges, we have had to adapt in identifying companies that are eligible for the program and which are not the most visible. Then in the monitoring of these

Mahamane Maharazou SANI ANGO

Seed Funding Manager, Sinergi Niger



companies through the value creation that we bring to them and through the monitoring of indicators.

What do you most appreciate about the project?

Thanks to the I&P family, this program gives collaborators in various countries of West Africa and even beyond the ability to share common experiences and solutions to the same particular realities that African entrepreneurs face today. There is still enormous potential for networking in Africa and across the world.

Finally, I&P Acceleration in the Sahel offers opportunities to companies with good growth potential, both young companies which have just been born and those which have only been in operation a few years.

"Thanks to the I&P family, this program gives collaborators in various countries the ability to share common experiences and solutions [...]"

TECHNICAL ASSISTANCE RESOURCES

IPDEV 2 designs blended finance programs to scale and increase the impact of each impact fund. These programs respond to three key challenges identified by the investment teams: **investment-readiness of the pipeline**, **capacity-building of SMEs** and **peer learning**.

IPDEV 2 has raised a cumulative amount of **€3.50M** in grant resources that complement the equity investment program. These grants are decisive in rolling out and achieving IPDEV 2's strategy and impact results and are used primarily to provide (i) support during the launch phase of each fund, (ii) technical assistance to the management teams and portfolio SMEs, (iii) seed funding resources to accelerate the due diligence process, (iv) guarantee to investors, (v) evaluation and research.

Argidius Foundation

€2.192M

Enabled IPDEV 2 to launch new funds, train funds managers, promote networking of entrepreneurs and provide funding.



AFD

€400k

Enabled IPDEV 2 to launch the funds in Cote d'Ivoire, provide technical assistance to SMEs and run a seed funding program for start-ups.



Coopération de Monaco

€428k

Enabled IPDEV 2 to finance the launching of new funds in Madagascar and Mali, provides technical assistance to management teams and SMEs, and conducts research, impact evaluation and communication (PhD students).



FISEA Proparco

€250k

Enabled IPDEV 2 to provide technical assistance to SMEs and management teams in Mali, Burkina Faso and Niger.



IFAD

€230k

Enabled IPDEV 2 to bear the costs of structuring the diaspora so that it participates in fundraising for the investment vehicle in Mali.



TECHNICAL ASSISTANCE KEY RESULTS



49 missions were conducted until 2020 (Q4) and **4** are still in progress.



A total budget of **€293,939** financed by FISEA and Monaco until 2020.

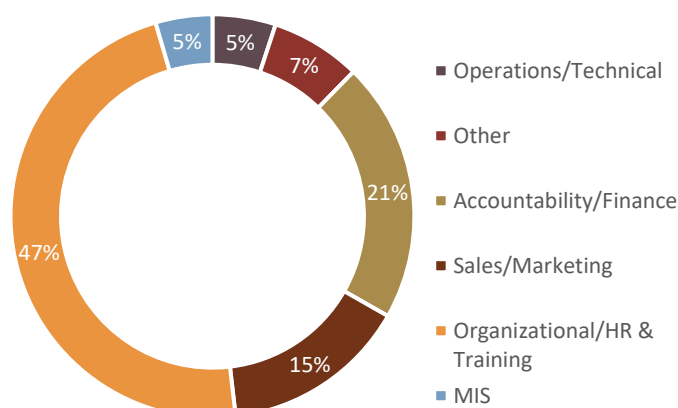


1,061 days were dedicated for technical assistance missions until 2020.



32 different experts were committed to TA missions, **69%** of whom are African.

Areas of intervention



EXAMPLE OF A MISSION

KOOD, Agribusiness, Senegal

Kood is a Senegalese company founded in 2016. It specializes in the production and marketing of ice creams and yogurt in several flavors. Its products are mainly sold directly to individuals in Dakar and distributed at more than five hundred points of sale. The company has about 20 employees in its workforce. The company's turnover amounted to about 562k in 2020.

Type of technical assistance

The company suffered from poor accounting management, whether in terms of human resources or management tools. Several weaknesses were noted during the last accounting audit, including a lack of invoices, a failure to update the monitoring file of the cash registered, and a failure to reconcile bank accounts.

Although the company has accounting software installed, the lack of expertise and resources required to use it affects the quality of the accounting information provided.

In order to ensure the quality of the accounting information and to optimize the use of the accounting software implemented, software configuration and software training for employees were necessary.

Assessment and results

The technical assistance mission enabled the company to improve the reliability of its accounting information. This support also enabled Teranga Capital, which made an investment of €477k in the company, to better monitor its investment.



SCALING IMPACT THROUGH ACCELERATION PROGRAMS

IPDEV 2 and its funds implement programs specifically dedicated to seed financing to support SBGs through repayable grants at a zero interest rate. I&P and IPDEV 2's funds have raised +€19M for the acceleration programs. IPDEV 2's funds are beneficiary partners that carry out acceleration programs implemented by I&P. **43 SBGs have benefited from seed financing.**

ACCELERATION PROGRAMS DEVELOPED BY I&P

I&P Acceleration in Sahel

2019-2023 • €15.5M



I&P Acceleration in Sahel is a 4-year program that aims at supporting around 300 early-stage companies with 3 components: seed funding, technical assistance and support to entrepreneurship structures. The program covers 13 countries in the Sahel region.

12 SBGs financed

136 jobs created or maintained

33% women employees

I&P Acceleration Technologies

2019-2023 • €2.5M



I&P Acceleration Technologies aims at supporting around ten digital early-stage companies by giving them access to seed funding and technical assistance. The program covers all African countries.

1 SBGs financed

26* jobs created or maintained

31% women employees

USAID PACE PROGRAM

2016-2020 (closed) • €1.05 M



Launched in 2016, the program enabled IPDEV 2 to maintain a 3-year seed funding program for start-ups in Burkina Faso, Niger and Senegal. The program was implemented by Teranga Capital, Sinergi Burkina and Sinergi Niger.

26 SBGs financed

160 jobs created or maintained

49% women employees

ACCELERATION PROGRAMS DEVELOPED BY IPDEV 2 FUNDS

Pépinière program



A tier of the funds received through Pépinière program enabled to launched Comoé Capital. The program aims at supporting SBGs through technical assistance, working capital and pilot phase financing under repayable grants in Ivory Coast.

3 SBGs financed

53 jobs created or maintained

30% women employees

Partnerships with CEPF and Monaco

2019-2020 (closed) • €200k



Launched in 2019 by Miarakap, the partnership with CEPF aimed at supporting SMEs with a high potential for positive impact on the environment and biodiversity. The partnership with Monaco launched during the same period aimed at financing companies with high growth and impact potential and strengthening their skills.

2 SBGs financed

152 jobs created or maintained

36% women employees

*SETTic received funding from both the USAID PACE Program and I&P Acceleration in the Sahel.

AN IMPACTFUL SME PORTFOLIO

ENTREPRENEURS



EMPLOYEES



CLIENTS



SUBCONTRACTORS

FINANCING AFRICAN ENTREPRENEURS

IPDEV 2 pursues two objectives regarding entrepreneurs:

- Support 500+ SMEs with entrepreneurs rooted in the continent
- Focus on at Least Developed or Fragile Countries

Entrepreneurs supported through equity since inception

→ 36

Seed entrepreneurs supported

→ 43

ENTREPRENEUR PROFILES

The entrepreneurs supported through IPDEV 2 possess a high level of education and significant professional experience.

- **100%** of entrepreneurs are African
- **91%** have a university level education
- **14 years** of experience on average in their respective sectors
- **12 years** of experience on average in corporate management positions

COMPANY PROFILES



100% of companies operating in Least Developed Countries or Fragile Countries



22% year-over-year of sale growth



29% year-over-year of job growth



© Centre d'Appui à L'Initiative Féminine, Sénégal

HIGH CATALYTIC EFFECT OF AFRICAN FUND INVESTMENT IN EARLY-STAGE SMEs

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

IPDEV 2 fund investment often acts as a catalyst for the investees to raise funds from other investors or banks.



(*) This figure is computed by dividing the amount invested (equity and debt) by the amount invested by non-IPDEV 2 fund investors at the time of the initial investment by the amount of IPDEV 2 fund investment (equity and debt).



SDG 17

Strengthen the means of implementation and revitalize the global partnership for sustainable development

CREATING BETTER AND DECENT JOBS (1/4)

IPDEV 2 pursues three job-related objectives :

- Creating quality and inclusive jobs which include more permanent jobs, social protections, decent wages and skills development
- Extending social protection for investees' employees
- Developing employee skills

1 DIRECT JOBS AND IMPACTED LIVES

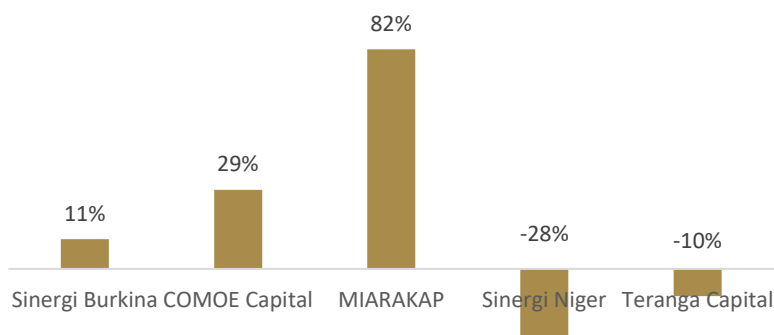
Direct jobs

Since inception, **770 permanent jobs have been created or maintained** (vs 840 in 2019) with 29% year-over-year job growth. New jobs created since inception account for **142** (vs 191 in 2019). Since inception, **335** jobs have been formalized and **78%** of all permanent jobs were formal in 2020, with most of them being formalized during the post-investment phase.

Formalization offers better conditions and job security for employees. 2020 was a particularly difficult year for most of the investees due to the COVID-19 crisis's impact on their activities. In terms of job evolution since inception, Burkina Faso, Cote d'Ivoire and Madagascar were not as much affected by employee departures as Niger and Senegal. Agribusiness, education and advertising were the main sectors affected by job losses.



JOB EVOLUTION RATE SINCE INCEPTION



According to the International Labor Organization, a decent job is one with access to productive and adequately paid work, safety in the workplace, social protection for families, better prospects for personal development and social integration, freedom of association and speech and equal treatment for men and women. Under this framework, we monitor working conditions within our portfolio in order to promote the creation of sustainable, decent and inclusive jobs.

Impacted lives

Investing in one sector indirectly contributes to job creation in several related sectors. **1,155*** indirect jobs have been created since inception through IPDEV 2's fund investments in education, agribusiness, health, manufacturing, ITC and logistics and services.

**Based on the "input-output" methodology developed by Nobel Laureate economist Wassily Leontief to measure the effects of economic value added and indirect jobs in the economy, compiled from Purdue University's GTAP international trade analysis database, which describes the pattern of bilateral trade and the production, consumption and intermediate use of goods and services with more than 100 tables for individual countries and groups of countries and 57 sectors (including all countries and sectors in which we invest).*

1 JOB = 1 FAMILY



*** Based on household size derived from the Global Data Lab developed by researchers at the University of Radboud, the Netherlands, this figure is estimated by combining the data from different surveys (Demographic and Health Surveys, UNICEF Multiple Indicator Cluster Surveys, World Development Indicators, etc.)*

1 NO POVERTY



SDG 1 - End poverty in all its forms everywhere, *SDG 1.1 - Eradicate extreme poverty*

8 DECENT WORK AND ECONOMIC GROWTH



SDG 8

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

YOUTH

Context: youth and labor market in Africa

Africa has **420 million young people**¹ and this figure is expected to grow to **830 million by 2050**. Africa also has 36 of the 40 youngest countries in the world in terms of population. While **10 to 12 million young people arrive each year on the labor market**, only 3 million formal jobs are created annually. Most young people in Africa are either unemployed or in precarious or informal jobs.²

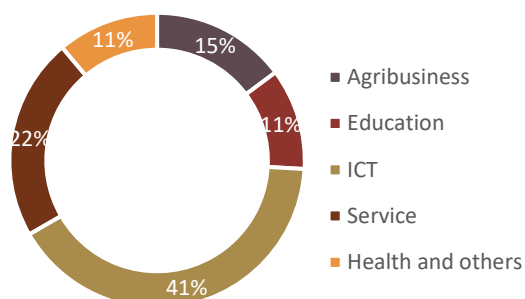
The **COVID-19 economic crisis is hitting young people harder and faster than any other group**. According to ILO, 15-24 year-olds were more likely to be in forms of work that leave them vulnerable, such as low paid occupations or the informal sector.

¹ "Young person": employee below 25 years old

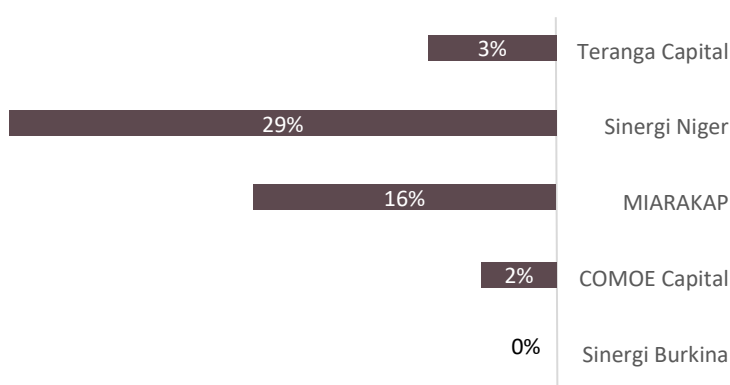
² Source: AfDB, 2018

Young employees at IPDEV 2 investee level

Young people (under 25 years old) account for 54 or 7% (vs 13% in 2019) of IPDEV 2's investee employees. This could be explained by young workers who passed the age of 25 or who were impacted by departures due to COVID-19. We estimate at 35% the share of young employees among total departures (mostly in agribusiness and services) and 17% of young employees among recruitments (mainly in ICT).

**Representation of young employees in each of IPDEV 2's funds**

The share of young employees in Niger reflects the pre-Covid situation (data for Halal is not updated). In Madagascar, young workers are still mainly represented in the service sector, despite the decline in employment and ICT, which hired more young workers in 2020.



GENDER

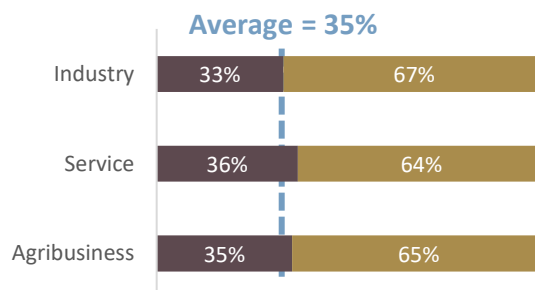
Context: women and the labor market in Africa

In Africa, the agriculture sector employs 70% of the workforce. Women make up about 2/3 of this workforce. In the other formal sectors, women hold 4 in 10 jobs¹. Depending on the country, representation of women in the labor market can vary significantly. **In this crisis, African women are on the front line and most have been strongly impacted by the harsh realities of the pandemic**. I&P published a summary of key reports on this issue in the document **"COVID-19 crisis: what impacts on gender inequalities?"**.

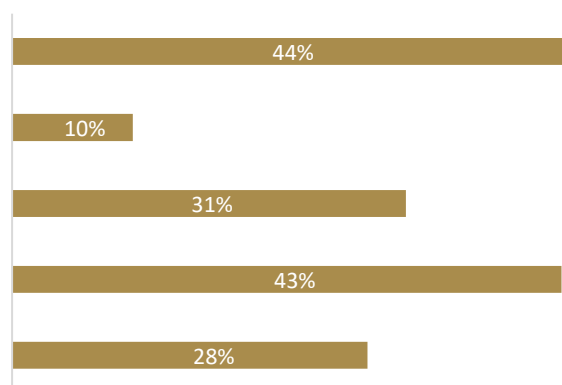
¹Source: AfDB, 2017, *Autonomiser les femmes africaines : plan d'action*, Ibid, 17 and 18

Women at the IPDEV 2 investee level

35% (vs 40% in 2019) of our investees' employees are women. In 2020, women were more impacted than men by departures due to COVID-19. The share of women in the total of departures accounted for 55% while their share in recruitments accounted for 22%. Agriculture is a vulnerable sector in times of crisis and is over-represented by women. Therefore, this sector was the most impacted by the decrease in the share of women, while the industry sector had an increase in the share of women employees, driven by Tropic 105 and Savonnerie Parfumerie du Houët.

**Representation of women employees in each of IPDEV 2's funds**

All IPDEV'2 funds have integrated a gender-lens in their investment strategy. Some efforts are being made to improve the rate of women employees at the investee level. However, in some countries, such as Niger, women are still largely underrepresented in some sectors. Women in the agribusiness sector in Burkina Faso were the most affected by the COVID-19 crisis.

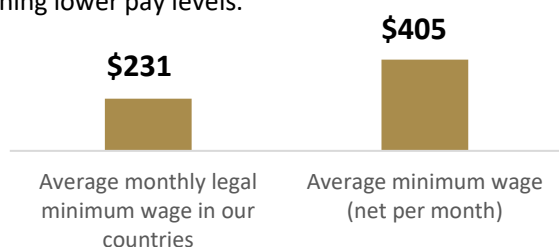


CREATING BETTER AND DECENT JOBS (3/4)

3

DECENT WAGES

The average minimum wage is **76%** (vs 55% in 2019) higher than the legal minimum wage. The increase of the minimum wage can be explained partly by the fact that 22% of investees increased their minimum wage and 16% of investees registered departures of low-skilled employees earning lower pay levels.



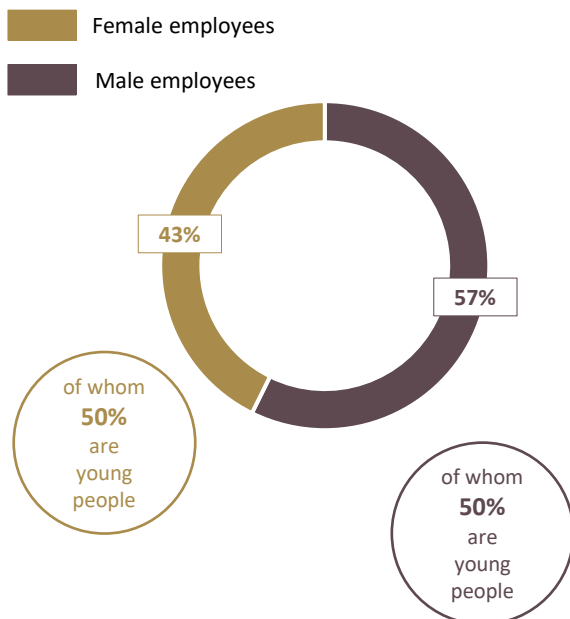
*We use the Purchasing Power Parity (PPP) conversion rate to control for the variable cost of living in various countries. The minimum wage in our countries is the net salary, after social contributions and taxes.

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

Breakdown of low-income employees, by gender

Low-income employees across our countries account for **200** or 26% (vs 35% in 2019) of total employees.

In our methodology, a low-income employee earns less than EUR 244/month.



SDG 8

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

8 DECENT WORK AND ECONOMIC GROWTH



4

ACCESS TO SOCIAL PROTECTION AND HEALTH INSURANCE

Access to public social protection offers better working conditions. Therefore, IPDEV 2 funds are strongly committed to formalization. Nevertheless, formalization can be a long and complex process for companies.

IPDEV 2

78%

of investees' employees are covered by a public social security program.

AFRICA*

10%

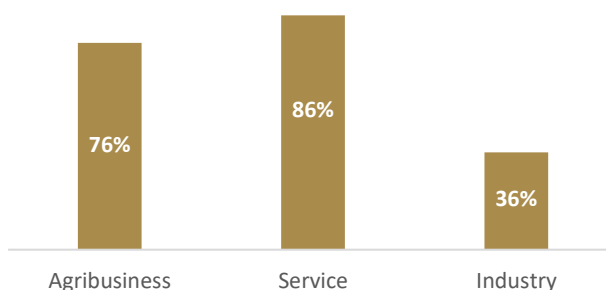
of the active population is covered by statutory social security schemes.

* Source: ILO, 2018

Prior to investment and within the first year of investment, most of the companies have a low rate of employees declared to the national social security administration. Compared to the initial formal job rate (42%) of the portfolio, great efforts are being made to progress with **335** jobs formalized thanks to the IPDEV 2 fund's work.

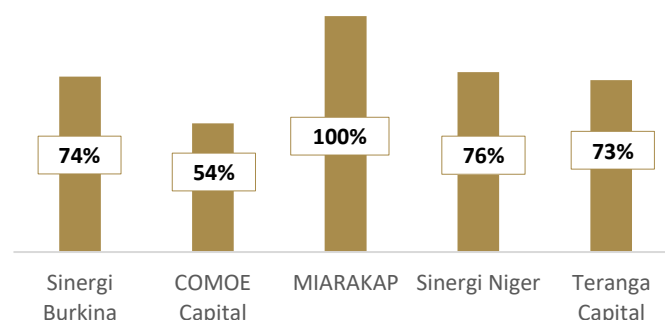
40% of the employees benefited from a private health insurance subscribed by the investees.

Percentage of employees with public social protection, by sector



Percentage of employees with public social protection, by country

Each IPDEV 2 fund has a strong commitment to progressing toward 100% job formalization with its investees. COVID-19 has been a particular context that has slowed down advancing this goal.



CREATING BETTER AND DECENT JOBS (4/4)

5

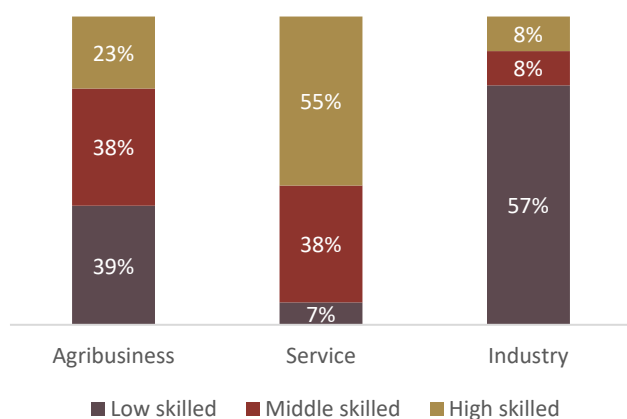
SKILLS DEVELOPMENT

The **service sector** employs a large number of highly-skilled and middle-skilled employees. This sector counts the highest number of employees who benefited from training opportunities in 2020.

Qualified women are most highly represented in Cote d'Ivoire and Senegal, where **55%** and **28%** of women, respectively, are highly-skilled employees. The share of highly-skilled women increased in the agribusiness sector due to departures that mostly affected highly-skilled employees in some companies (GNG, KOOD, Lysa&Co, Rama Cereal and SIATOL).

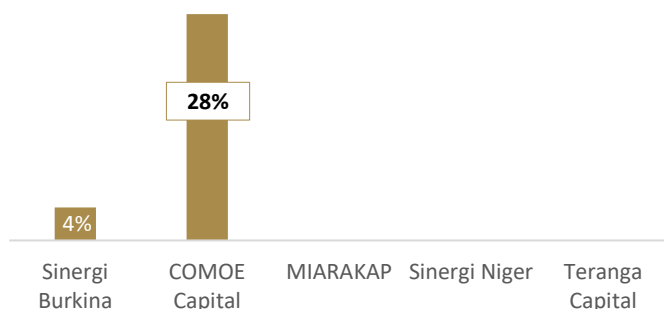
Employment breakdown, by qualification and sector

Ex. of low-skilled: factory worker; ex. of middle-skilled: accounting officer; ex. of highly-skilled: management positions



Percentage of employees trained, by country

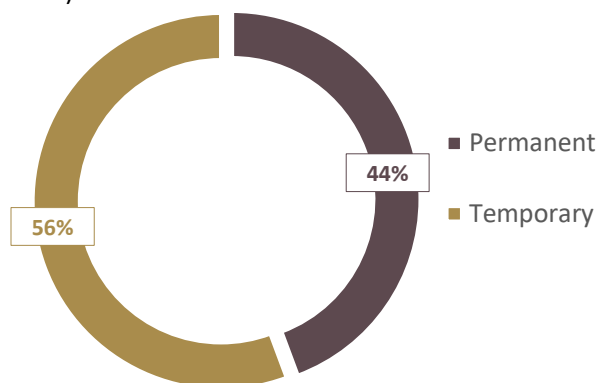
65% of investees have implemented a training policy but only **8%** (vs 32% in 2019) of employees received training in 2020, mainly in the service sector. The COVID-19 situation did not allow investees to offer more trainings to their employees.



6

PERMANENT AND TEMPORARY JOBS

In addition to **770** jobs maintained or created since IPDEV 2's inception, investees added **967** temporary jobs (intern, daily-paid workers, seasonal jobs, and service providers).



Formalization rate for temporary employees

The formalization rate of temporary jobs is lower than that of permanent jobs, **48%** and **78%** respectively, but IPDEV 2 funds are making efforts to improve this rate, even if it is not their main focus.

IPDEV 2

48% of temporary jobs were formal in 2020

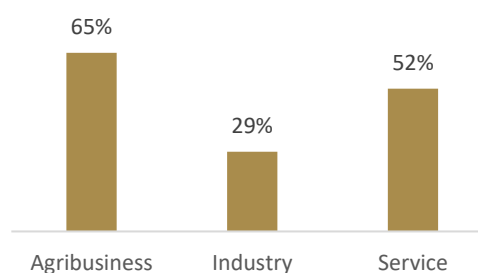
AFRICA

Less than **28%** of employment was formal¹

¹Source: McKinsey, Africa at Work, Job Creation and Inclusive Growth, 2012

Percentage of temporary employees, by sector

In the agribusiness sector, temporary employees are mainly seasonal and daily-paid workers, while in the service sector they are mainly teachers, health employees and service providers.



PROVIDING SDG-ALIGNED GOODS AND SERVICES

IPDEV 2 pursues two client-related objectives :

- Meet unsatisfied demand for products and services
- Provide basic products and services to the base-of-the-pyramid customers

76%

of partner companies offering essential product or service directly addressing the SDGs

76%

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

2

ZERO HUNGER



GOAL 2: Achieve food security and improved nutrition

11
SMEs

- **AGROSERV (BF):** Maize processing
- **CHICKY (MA):** Fast food restaurant specializing in chicken
- **GNG (SE):** Production and distribution of local juices
- **HALAL (NI):** Improved local rainfed vegetable seeds
- **ITIA (CI):** Organic dried fruit production for exportation
- **KOOD (SE):** Ice cream under the brand name "Milky"
- **LA VIVRIERE (SE):** Local grain processing
- **LYSA & CO (SE):** Cashews and peanuts
- **RAMA CEREAL (CI):** Grain processing
- **ROSE ECLAT (BF):** Dried fruits and vegetable processing
- **SIATOL (BF):** Local soybean processing



11,628 tons of agricultural products purchased in 2020 (3,859 in 2019)

3

GOOD HEALTH AND WELL-BEING



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

2
SMEs

- **CLINIQUE DENTAIRE DU CAP VERT (SE):** Dental care clinic
- **HMS (CI):** Medical center for day care



1,077 dental care treatments in 2020

4

QUALITY EDUCATION



GOAL 4: Ensure inclusive and equitable quality education

10
SMEs

- **CAIF (SE):** A training center for sewing and catering
- **COCCINELLE (CI):** A pre-school for 2-to-6 year olds
- **EAL (NI):** A publisher and manufacturer of extracurricular books
- **ETUDES (CI):** A tailor-made e-learning platform
- **IMGH (CI):** A training school specialized in hospitality
- **IST (SE):** A higher institute of business management and technology
- **MICHELE YAKICE (CI):** A sewing and fashion design training school
- **STUDIO KÄ (CI):** A 2D/3D children's animation producer that promotes African cultural heritage
- **VALLESSE (CI):** A textbook publisher
- **VATEL (MA):** A hotel and tourism business school



27,428 students in 2020

6

CLEAN WATER AND SANITATION



GOAL 6: Clean water and sanitation

- **Savonnerie Parfumerie du Houët (BF):** Soap and cosmetic products

7

AFFORDABLE AND CLEAN ENERGY



GOAL 7: Affordable and clean energy

- **GOGEELEC (SE):** An electrical engineering company in rural areas



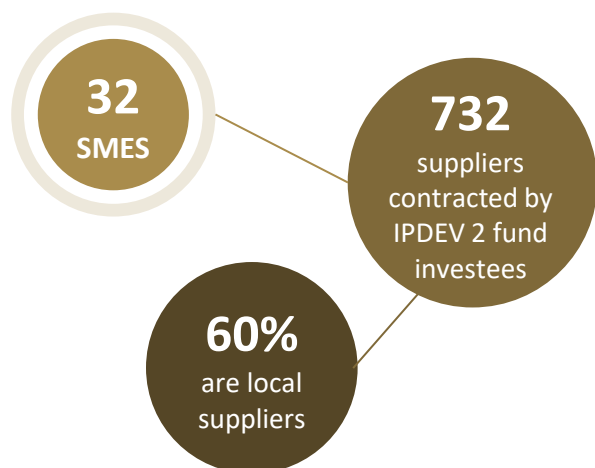
161km of electric lines installed

SMEs SUPPORT THEIR OWN LOCAL SUBCONTRACTORS

IPDEV 2 pursues 2 objectives regarding subcontractors:

- Contribute to the development of local suppliers and distributors
- Structure local sector upstream or downstream

RIPPLE EFFECT ON SUPPLIERS



*32 SMEs do not include XOOM and ITIA, the green field investments, for which data are not yet available.

DISTRIBUTORS

6,263 (1,098 in 2019) distributors worked with the investees in 2020, driven by Golden Nuts and Grain (96% of distributors). Some companies in Niger and Cote d'Ivoire implemented programs that support distributors.

Editions Afrique Lecture (EAL), publishing and manufacturing of extracurricular textbooks, Niger

20% discount for small textbook distributors to structure their distribution network.

VALLESSE, a publishing company, Cote d'Ivoire

Supports a network of **5** small distributors by providing them equipment and signs.

SUPPLIERS

A network of **11,523** local small producers, around 10,500 of whom are supported by the investees through different programs, such as technical assistance, trainings and agricultural advising.

AGROSERV, a maize processing company, Burkina Faso

Through a partnership with the PACTE program, Agroserv reached more cooperatives in 2020. 6,000 smallholders in maize farming (vs 3,000 in 2019) benefited from trainings on sustainable agriculture practices, cultural roots and financial education. Within this network, 1,000 smallholder farmers are part of Agroserv's historical network and are continuously trained. This year the focus was on seed selection and storage techniques. The PACTE program has made it possible to organize small producers into groups and provide them with agricultural equipment (tractors, motor pumps, inputs, etc.).

SIATOL, a local soybean processor, Burkina Faso

SIATOL was selected for a partnership with SNV, allowing the company to considerably extend its network of small producers. In 2020, **4,500** (vs 160 in 2019) small producers from the network benefited from technical assistance, including trainings on inputs (seeds, small equipment). SIATOL implemented purchase contracts with a bottom price and premium based on quality and quantity of produce.

RAMA CEREAL, a cereal (millet, corn, rice) processing company, Côte d'Ivoire

The company started to implement a strategy to supply millet from small producers given the supply difficulties encountered following the COVID-19 crisis.

SDG 8

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

8 DECENT WORK AND ECONOMIC GROWTH



PROMOTING ESG BEST PRACTICES

GENDER

GOVERNANCE

FORMALIZATION

ENVIRONMENT

IPDEV 2 AND GENDER EQUALITY

In alignment with I&P's gender strategy, IPDEV 2 pursues two gender objectives :

- Promoting women's access to **decent jobs and leadership positions**
- 40% of more SMEs with a positive impact on women in the portfolio

OUR GENDER STRATEGY

Women entrepreneurs are well represented in the informal sector but the main challenge for them is the access to higher-level, value-added positions in the formal sector.

IPDEV 2 pursues I&P's gender strategy (available in the document "Opportunities to bridge the gender gap in African SMEs"), in addition to its own gender objectives:

- **SME leaders:** empowering women in decision-making processes as shareholders, board members and CEOs
- **Employees:** developing women's access to decent jobs and training opportunities
- **Clients and suppliers:** focus on women's inclusion - providing essential goods and services for women and/or implementing specific support programs for women employees and small-scale suppliers/distributors.

ADVOCACY ACTIVITIES

Raising awareness on the topic of women entrepreneurship is a key objective of the advocacy objectives and strategy:

- ➔ On Women's Day 2020, I&P published a report "**COVID-19 crisis: what impacts on gender inequalities**" highlighting the impact of the COVID-19 crisis on gender inequalities, particularly in the education sector.
- ➔ I&P also released a [video](#) on how it supports women entrepreneurs in Africa through its program I&P Acceleration in the Sahel.

IPDEV 2'S GENDER RESULTS

Women leadership and board at the IPDEV 2 level

IPDEV 2

40% of board members

AFRICA*

14% of board members in Africa*

33% of senior leadership positions

23% of executive committee members*

* Source: Women Matter, Africa, McKinsey, 2016

WOMEN AT IPDEV 2 FUND LEVEL

IPDEV 2

24% of IPDEV 2's governance entity members are female

I&P GENDER STRATEGY

50% of female members of governance entities as ultimate goal

43% of IPDEV 2 team' employees are women

40-60% of female employees

WOMEN AT INVESTEE LEVEL

35% of businesses founded by women

31% of women among highly-skilled employees

35% of investees' employees are women



FOCUS

2X CHALLENGE
FINANCING FOR WOMEN

A challenge was launched in 2018 by the G7 member DFIs to invest \$3 billion by 2020 to provide women in developing countries with opportunities. In 2020:

77% of IPDEV 2's portfolio companies satisfied the 2X Challenge criteria
39% of these companies satisfied two or more criteria

5 GENDER EQUALITY



SDG 5.5

Achieve gender equality and empower all women and girls

IPDEV 2 pursues two governance objectives:

- Promoting good governance **at the African fund level** (board of directors, investment committee, ESG coordinator)
- And **at the SME level** (board of directors, reporting, etc.)

IMPLEMENTING GOOD GOVERNANCE PRACTICES AT THE INVESTEE LEVEL

1 IMPLEMENTATION OF SHARED GOVERNANCE

Investees work with a shareholder representative body (board or strategic committee including the entrepreneurs and one or two investor representatives) to manage the company in a concerted manner.

Such shared governance helps entrepreneurs to feel less isolated and to upgrade their reporting practices.

2 UPGRADING OF ACCOUNTING AND REPORTING PRACTICES

IPDEV 2 funds invest in early-stage and fast-growing companies with a need to strengthen their financial and accounting practices to improve performance monitoring. The following actions are implemented: **(1) Annual audits** to ensure reliable accounting practices that fully comply with fiscal obligations. **(2) Technical assistance** provided to a majority of companies, in order to build internal reporting capacities and enhance the reliability of the accounts.

3 ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

IPDEV 2 funds enforce integrity and do not tolerate corruption or other illegal practices, even if it means giving up an investment opportunity.

BUILDING STRONG ESG/IMPACT GOVERNANCE

Promotion of mission-driven governance both at the IPDEV 2 and African fund levels is part of IPDEV 2's commitment.

AT THE IPDEV 2 LEVEL

5 board members, including investor representatives and independent members of the Extra-financial Committee. They **gather twice a year**.

The board oversees:

- Annual performance evaluations
- ESG & impact strategy and management system
- Reputational risk management
- ESG & impact team
- ESG & impact-based incentive structure for IPDEV team
- Review on governance and ESG practices for each fund

AT THE AFRICAN FUND LEVEL

Each extra-financial board at the IPDEV 2 fund level includes a person within the team dedicated to ESG/impact matters.

5 board members of the Extra-financial Committee at **Sinergi Burkina, Comoé Capital and Teranga Capital**.

3 board members of the Extra-financial Committee at **Miarakap**.

4 board members of the Extra-financial Committee at **Sinergi Niger**.

TRAINING AND REVIEW OF ESG/IMPACT METHODOLOGY AT IPDEV 2 LEVEL



TRAINING SESSIONS

An ongoing training effort to improve our standards

In 2020, several sessions dedicated to ESG/impact involved both the CEOs of the IPDEV 2 funds and the IPDEV 2 teams since the performance on ESG/impact is closely linked to general performance.

- During our team seminar, discussions were held on the ESG consequences of the COVID-19 crisis, reflection on impact case studies and ESG/impact future developments.
- Training sessions (on IFC standards, ESG vs impact, etc.) were held with some ESG committee members of local funds and the 5 dedicated persons to ESG matters within the local funds. These sessions primarily aimed at reinforcing ESG risk assessment and management.



REVIEW OF CURRENT IMPLEMENTATION OF THE METHODOLOGY

After over five years of practical implementation

STRENGTHS - Strong commitment to ESG & impact matters, including gender equality.

Teams are eager to build on I&P's methodology, which is considered as a key competitive asset.

Good adoption of the ESG methods: satisfactory ESG risk assessment and ESG due diligence.

Timely collection of reliable impact metrics among portfolio companies.

AREAS FOR IMPROVEMENT - High priority currently given to SME formalization processes, especially for the employees, where delays for some SMEs have been recorded in Cote d'Ivoire and Burkina Faso. I&P is still working to raise awareness among IPDEV 2 fund team members and investees in order to reach 100% formalization for all investee employees.

IPDEV 2 pursues two formalization objectives:

- Pushing toward **full job formalization**
- Promoting access to **health insurance** for employees

IPDEV 2 FORMALIZATION PROCESS

IPDEV 2 is strongly aligned with I&P's commitment to formalization of the entrepreneurial sector in Africa. **All the SMEs supported embark on the path of formalization.** At the due diligence level, deep analyses are made to assess the level of formalization of each investee. After investment, SMEs have 1 year maximum to fully comply with the law. These formalization objectives are also part of the Investment team's global performance measurement, thus reflecting the importance given to this topic.

However, the path to formalization can be long and complex. Transition to formality is expected but is sometimes too slow, especially employee-formalization. The process can vary greatly. For companies lagging behind, we have learned that:

- The cost of formalization is sometimes under-estimated.
- Becoming formal is a gradual process that includes several requirements that take time: a written contract, tax status, health coverage, etc.

OUR PROGRESS TOWARDS FORMALIZATION

601 permanent jobs within the SMEs were formal in 2020, representing **78%** of the total permanent jobs. Compared to 2019, the formalization rate is almost the same. However, in absolute numbers formal jobs have decreased by 8.7% due to departures of formal employees. Moreover, the COVID-19 impacted formalization objectives, as some investees faced a slowdown in their activities. Compared to the initial formal job rate (42%) of the portfolio, great efforts are being made with **335** jobs formalized thanks to IPDEV 2's funds.

IPDEV 2

More than **78%** of jobs were formal in 2020



AFRICA

Less than **28%** of employment was formal¹

¹Source: McKinsey, *Africa at Work, Job Creation and Inclusive Growth*, 2012

*The data collection only focuses on permanent job formalization. The impact monitoring tools and data collection will expand next year to include monitoring of seasonal job formalization as well.

To improve formalization, IPDEV 2 has implemented the following next steps:

- ➔ Include commitments on formalization in shareholder agreements
- ➔ Make successive disbursements subject to progress on formalization
- ➔ Provide ongoing training of entrepreneurs and top management
- ➔ Provide support in the form of technical assistance in the formalization process

3 GOOD HEALTH AND WELL-BEING



SDG 3

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

8 DECENT WORK AND ECONOMIC GROWTH



SDG 8

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all



CONTEXT: JOB FORMALIZATION IN AFRICA

According to I&P's impact study on formalization, 89% of jobs in the African sub-Saharan region are in the informal sector. IPDEV 2 believes that formalization is key to long-term social and economic development. The study also shows that formalized employees have more access to health care, twice the access to credit to realize their life projects and are better protected against job dismissal.



IPDEV 2 pursues two environmental objectives:

- Foster biodiversity and soil preservation.
- Encourage energy-efficiency and renewable energy initiatives.

CONTRIBUTION IN REDUCING NEGATIVE IMPACTS ON THE ENVIRONMENT

22%

of the investees have a product/service or have put in place initiatives that contribute to reducing negative impact on the local ecosystem, including a waste management system, making soil more resilient, protecting biodiversity, reducing pressure on natural resources, etc. These actions also contribute to generating economic benefits.

AGROSERV, Agribusiness, Burkina Faso

A maize processing company offering fortified flour and cornmeal for local markets.

Result: Maize replaces wheat, which is mainly imported in Burkina Faso. **2,322 tons** of maize bought by Agroserv from local producers in 2020.



MORINGA WAVE, Agribusiness, Madagascar

Produces and distributes a growing range of agrifood and cosmetic products (oil, powder, chocolate, fruit juice, herbal tea, etc.).

Results: Local supplies in the region near several protected areas offer alternative revenues to farmers, thus reducing pressure on the environment.



ROSE ECLAT, Agribusiness, Burkina Faso

Dried fruit and vegetable processing company committed to simultaneously reducing its greenhouse gas emissions and energy costs.

Result: An audit mission is realized every 5 years to assess Rose Eclat's improvements.



APEM PAIQ, Microfinance, Madagascar

This company dedicated to small urban entrepreneurs is developing a solar credit targeting franchisees in rural areas.

Result: In fragile ecosystems, the use of local renewable energy sources to replace fossils reduces pollution due to batteries as well as transport and the use of petroleum.



COGELEC ENERGY, Energy, Senegal

Cogelec works to provide cleaner and more economical energy for rural production facilities.

Result: Access to energy offerings can contribute to reducing firewood or deforestation in rural areas. **1.5x** more km of electrical lines installed by Cogelec in 2020.



VATEL, Education, Madagascar

Offers an Ecotourism Management degree, training future managers to take into account economic, social and environment issues such as water and energy consumption, sustainable food, etc.

Result: around **188** students enrolled in 2020.



Rose Éclat © Olympia de Maismont



SDG 15 • Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss



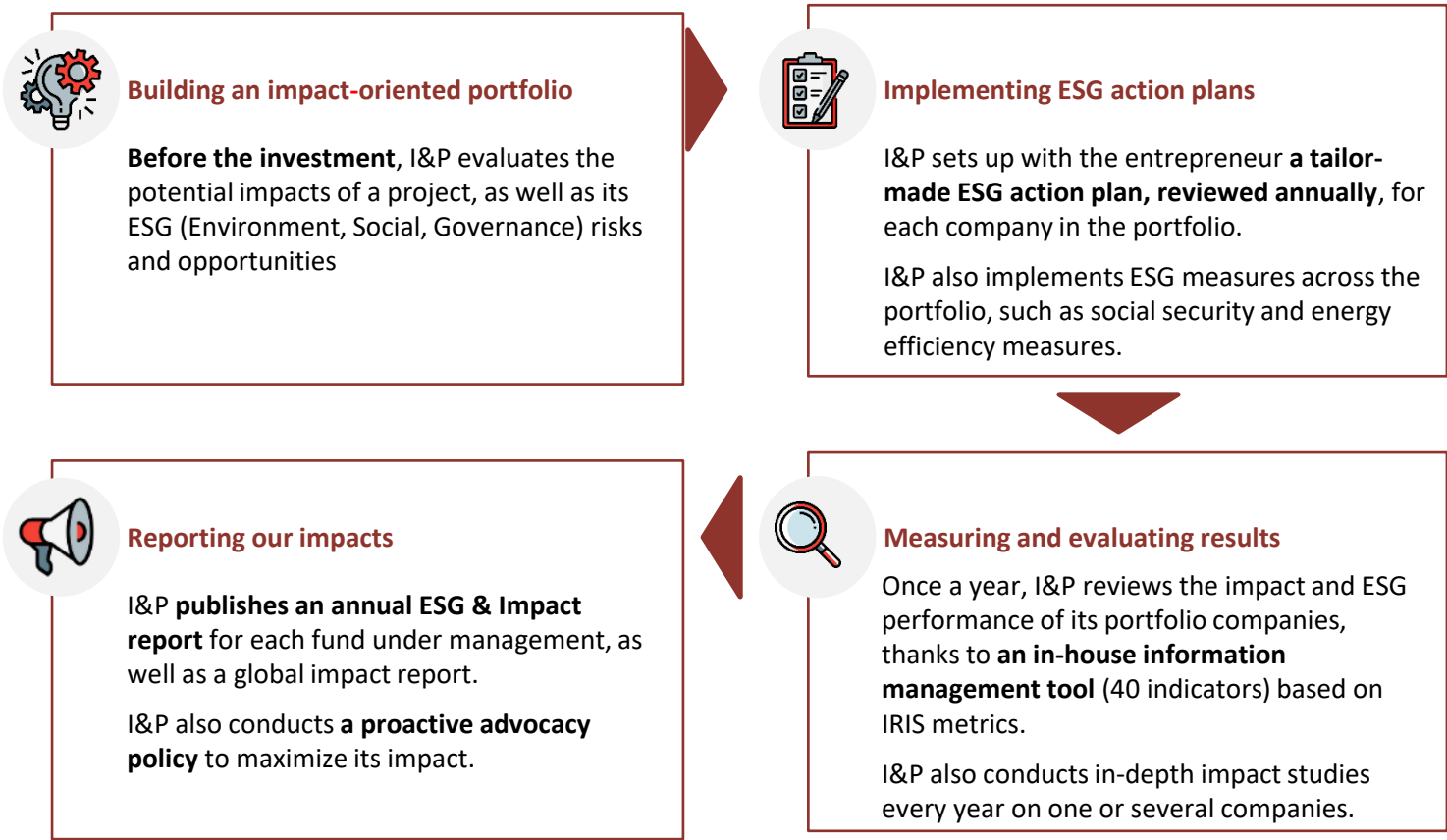
SDG 7
Ensure access to affordable, reliable, sustainable and modern energy for all

METHODOLOGY AND IMPACT



PURSUING SPECIFIC IMPACT OBJECTIVES AND STRONG ESG PERFORMANCE

The I&P team implements an impact management wheel throughout the investment process:



FROM ESG
TO IMPACT



SCREENING AND MONITORING DURING INVESTMENT AND UNTIL EXIT

1

SCREENING - ASSESSING POTENTIAL IMPACTS

Evaluation of ESG risk and impact opportunities

The investment team rates **ESG risk** (high, medium or low), as well as ESG opportunities, on the same scale.

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

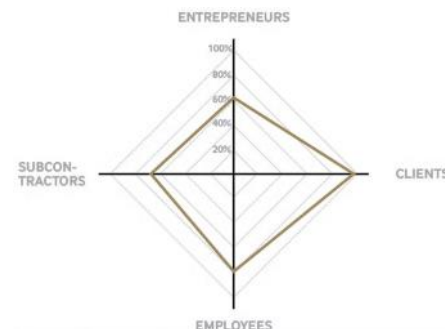
Identifying impact areas of improvement

The investment team uses I&P's **Impact Screening Scorecard** to **Screen investment projects** aligned with IPDEV 2's core impact objectives and identifies ways to **improve overall impact**.

Sample ESG categorization matrix

	RISK	OPPORTUNITIES
E	Medium	High
S	Medium	High
G	Low to medium	

Sample Impact Screening Scorecard



2

CONDUCTING ESG DUE DILIGENCE

Due diligence includes an **in-depth analysis of ESG-related matters as an integral part of the assessment and is performed in close conjunction with:**

- **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.

3

IMPLEMENTING ESG ACTION PLANS TO GENERATE ECONOMIC AND SOCIETAL VALUE

IPDEV 2 fund teams work with investees on **ESG and impact action plans** in a collaborative manner, in order to mitigate risk and generate economic value.

The action plan is **fully integrated into both partner/investee company operations** and the investment agreement.

Partner companies **legally undertake the implementation and monitoring of these ESG action plans**, and a contact person within the IPDEV 2 fund teams (ESG point of contact) is appointed to oversee the process.

4

MEASURING RESULTS

IPDEV 2 measures investee performance annually with an **in-house information management tool** based on IRIS metrics. Close to **40 indicators** are collected on a declarative basis and analyzed every year to assess investees' impacts on their local stakeholders. **An update meeting is held once** a year with each ESG point of contact to follow ESG action plans.

STAFF	CLIENTS	SUPPLIERS AND DISTRIBUTORS	NATIONAL VALUE ADDED
<ul style="list-style-type: none"> ▪ Job creation ▪ Job patterns (gender, wages, etc.) ▪ Employee training and other benefits 	<ul style="list-style-type: none"> ▪ Quantity of goods/services provided ▪ Number of clients 	<ul style="list-style-type: none"> ▪ Number and share of local suppliers and distributors 	<ul style="list-style-type: none"> ▪ Contribution to state revenues, GDP and exports

Ensuring good impact management after exit

I&P and the entrepreneurs implement actions that are deeply anchored to the business of the company in order for these actions to be durable. Impact management issues are included in exit discussions with the selected purchaser(s).

PART 6

ENHANCING IMPACT WITH ADVOCACY

I&P'S ADVOCACY PROJECTS



I&P'S NETWORKS

I&P is committed to a proactive advocacy policy for the recognition of SMEs as vectors of change and to the promotion of adapted financing solutions in Africa. The primary objective of our advocacy mission is to go beyond the impacts of I&P alone - which are necessarily limited in relation to the scale of the challenges facing the African continent - and to have a multiplier effect on our contribution to Africa's development agenda.



STUDIES & REPORTS

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

[Find out more](#)



VIDEOS

I&P showcases its African partner companies through short videos that retrace the path of the entrepreneur and key company impacts.

[Watch our videos](#)



ARTICLES & BLOG

The team regularly shares its experience and best practices on the themes of impact investing and African entrepreneurship through specialized media and blogs.

In 2018, in partnership with FERDI, I&P launched the blog ***Entreprenante Afrique***.



BOOKS

The team also contributes to pleading the African cause through its own publications.

In 2020, I&P published “Bâtisseurs d’Afrique”.

The author, Nathalie Madeline, met with 11 entrepreneurs accompanied by I&P, and traces their different journeys. [Read more](#)



FOCUS: A BLOG DEDICATED TO AFRICAN ENTREPRENEURSHIP

I&P launched the blog “Entreprenante Afrique” to promote entrepreneurial dynamism in sub-Saharan Africa and to better understand the context in which African entrepreneurs are working. The blog gathers research articles, experience sharing and field testimonies on African entrepreneurship.

Example of articles:

[A survey of African education institutions: coping with the COVID-19 crisis](#) (published in March 2021)

[Digitalization: a solution for sustainable development?](#) (published in September 2020)

[Girls' education, women's empowerment](#) (published in May 2020)



[Discover the blog](#)

I&P helps foster 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 AND PHILANTHROPY NETWORKS



FOCUS



In 2017, I&P joined the **global** community of companies **certified B-Corporation™**, an independent label that brings together companies around the world that wish to make a positive contribution to a sustainable society and that meet demanding criteria in terms of strategy and transparency in their business approach.



In 2019, I&P was one of the first 60 investors to adopt the "**Operating Principles for Impact Management**" defined by the International Finance Corporation's rigorous and transparent standards to regulate impact investing.



I&P has been selected for the third time for the ImpactAssets 50 2021, a free online database for impact investors, family offices, financial advisors and institutional investors that features a diversified listing of private capital fund managers delivering social and environmental impact as well as financial returns.

AFRICAN ENTREPRENEURSHIP AND PRIVATE EQUITY NETWORKS



IPDEV 2 TEAM MEMBERS



David Munnich | Executive Director, I&P Acceleration and I&P Development

David joined I&P in 2009. Since 2013 he has worked on the development of IPDEV 2 and supports Miarakap and Teranga Capital's teams.



Mamadou Ndao | Investment Officer

Mamadou joined I&P in 2015. Initially based in Dakar, he joined the Paris offices to support Sinergi Burkina and also the launch of another fund in Mali.



Hugues Vincent-Genod | Investment Director, IPDEV 2 and I&P Acceleration

Hugues joined I&P in 2011. Initially based in Ghana, he joined the Paris offices to support the development of IPDEV 2. He is also contributing to the launch of another fund in Uganda.



Sophie Ménager | Director of I&P Acceleration in Sahel

Sophie joined I&P in 2014 as Financial Manager of the IPAE fund. She is now coordinating I&P's Acceleration Program in the Sahel region.



Raphael Dumont | Investment Officer

Raphael joined I&P in 2016. He then joined the IPDEV 2 team at the end of 2019, supporting Comoé Capital's team. He is also contributing to the launch of new funds.



Yacine Simporé | Investment Officer

Yacine joined I&P in 2018 as Investment Officer supporting Sinergi Niger's team. She is also contributing to the launch of new funds.

DISCLAIMER

The impact data collecting methodology is based on declarative questionnaires filled out by the investees. The information is considered to be reliable as with our proximity on the field through IPDEV 2 funds teams, the results can be verified and all reasonable care has been taken in the preparation of this document. However, some errors, inaccuracies or omissions can occur. I&P is continuously evolving and improving its impact methodology in order to improve the accuracy of data and analysis but cannot certify the scientific veracity of the data. This annually unaudited impact report may contain or refer to past results. Past results are no guarantee for future results. By accepting this document, you agree to be bound by the foregoing limitations.

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