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# **I&P Afrique Entrepreneurs 1**

**ANNUAL ESG AND IMPACT REPORT**

**MARCH 2020**

## EDITO

The crisis the world is facing due to the Covid-19 pandemic is unprecedented. I&P is strongly committed to its partner companies. We stand at their side, trying to advise them in the best possible way, mobilizing financial resources to solve liquidity problems when they arise, and of course working with them to reduce health risk among their employees and their families. We hope to achieve good results at all levels, but only through intense commitment of our teams on the field.

IPAE1 entered a massive phase of disinvestment in 2019 that is most likely to be slowdown by the current crisis. Even though, as an impact investors, I&P will keep targeting options aligned with the impact strategy implemented for each company and include ESG performance considerations in the exit process. The six fully realized or committed recent exits illustrate this point as the progress made on the environment and employee well-being will be pursued.

IPAE teams are willing to do what is necessary to both consolidate the financial and extra-financial quality of IPAE1 portfolio.

**Jean-Michel SEVERINO**  
CEO



## SUMMARY

### IMPACT THESIS AND METHODOLOGY

### IMPACT MANAGEMENT IN 2019

- 1 PORTFOLIO OVERVIEW
- 2 IMPLEMENTING ESG ACTION PLANS
- 3 MEASURING IMPACTS ON LOCAL STAKEHOLDERS
- 4 ENHANCING OUTREACH & IMPACT WITH ADVOCACY

# IPAE 1 - ESG & IMPACT REPORT



Barajji © Béchir Malum

## IMPACT THESIS AND METHODOLOGY

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# OVERVIEW

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**. Created in 2002 by Patrice Hoppenot and managed by Jean-Michel Severino since 2011, I&P has developed three complementary business models to provide SMEs the necessary financing and skills necessary for success.

## A COMMITTED TEAM OF 80 FRANCO-AFRICAN STAFF

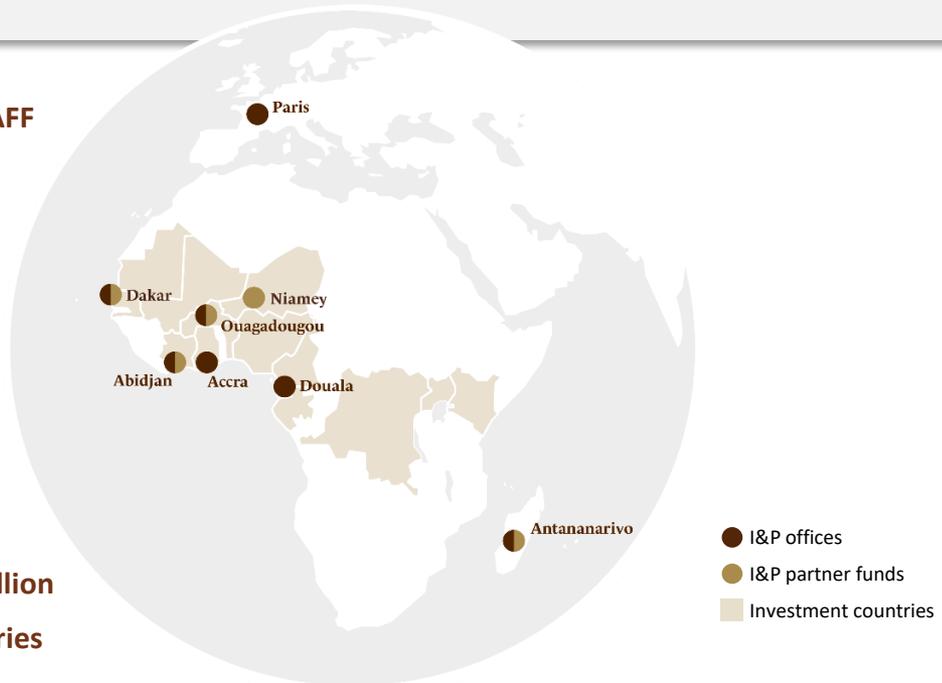
- Based in **7 African sites**: Burkina Faso, Cameroon, Côte d'Ivoire, Ghana, Madagascar, Niger and Senegal, as well as **in Paris and Washington D.C.**
- I&P and its partner funds have raised **€200+ million** from African and international investors.

## MORE THAN 100 COMPANIES SUPPORTED

- 100** capital-funded companies and 20 companies benefiting from subsidized acceleration programs
- With financing needs ranging from **€10,000 to €3 million**
- Based or operating in **15 Sub-Saharan African countries**

## 3 COMPLEMENTARY LINES OF BUSINESS

- I&P Expansion**: Directly supporting and financing the development of SMEs and start-ups and strengthening their impact (IPAE1 and 2)
- I&P Development**: Financing small businesses through a network of partner funds in Africa (IPDEV1 and 2).
- I&P Acceleration**: Scaling-up young businesses through seed-funding and/or training program (IPAS, IPAT....)



### IPAE1 is part of I&P Expansion's line of business:

Fund size	54M€
Investment size	From €300,000 to €1.5M
Number of investments	29 investments
Geographical scope	Sub-Saharan Africa (focus on Western, Central, East Africa, and the Indian Ocean)
Sectors	Working in various sectors
Fund life	Closed-end, 10-year tenure, with a possible 2-year extension

# MISSION

## Our commitment to the development and growth of African economies

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

As documented in this 2019/2020 report, formal SMEs pay taxes, which contribute to social expenditures and the provision of public services, which in turn strengthen the national social contract. Formal jobs also have significant benefits for employees, who can access lending, housing, health care and many other social and economic services that can dramatically improve their lives. Our report also demonstrates the magnitude of the impacts IPAE businesses have on their clients, who benefit from the goods and services our partner companies provide. They also directly influence their suppliers. In sectors like agribusiness, thousands of smallholder farmers are positively impacted by the SMEs IPAE supports. IPAE SMEs also help shape the financial sector through their relationships with banks and their shareholders. Through their boards and management, a new form of governance is being introduced into the African economy. The ESG support that IPAE provides to our partner companies helps maximize this whole range of impacts, which include benefits such as employer-provided/subsidized health care for employees and their families.

I&P was born from the idea that equity investment, and technical support, can efficiently help entrepreneurs to grow their businesses from the earliest stages of their development. Our mission is to address the “missing middle”, those SMEs that do not have access to international investors and banks given their small size but whose financing needs are also too large to qualify for microfinancing. We help move SMEs into the formal financial economy of their country.

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



# ADDRESSING THE “MISSING MIDDLE” IN AFRICA

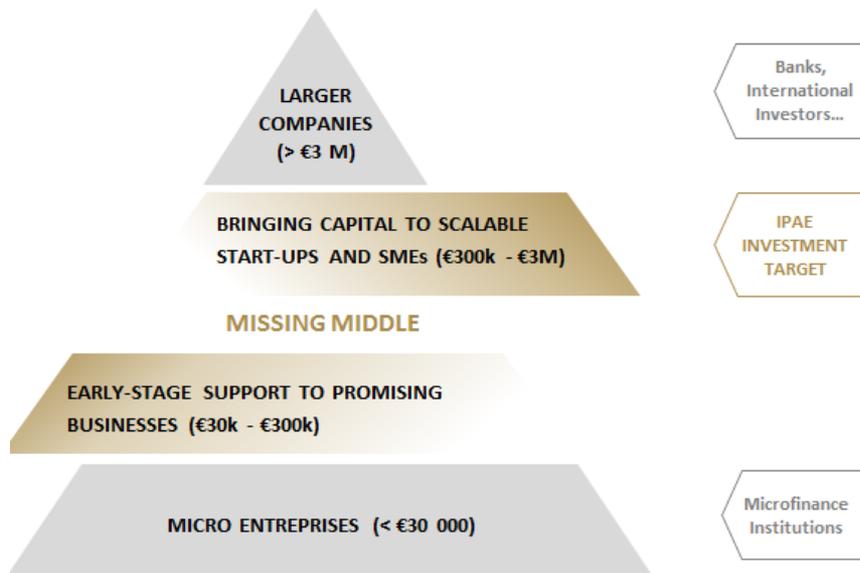
## Private equity: a proven response to the growth needs of SMEs

### WHY PROMOTING AND GROWING SMEs MATTERS

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

- **Create decent and stable jobs** that offer higher wages than in the informal sector (50% to 60% higher according to data from Ghana and Tanzania)
- **Offer well above-average growth potential** (15% per year on average for IPAE1 portfolio companies)
- **Build and structure the local economic fabrics.** SMEs tend to obtain their supplies locally, unlike multinationals, which tend to rely on international networks.
- **Improve access to useful goods and services for domestic markets** and the BOP (such as water, healthcare, housing and education). African SMEs tend to be predominantly focused on domestic markets, thus filling these gaps.

### Financing the missing middle in Sub-Saharan Africa<sup>2</sup>



<sup>1</sup> [Enterprise Surveys, World Bank Group](#)

<sup>2</sup> Lundin Foundation: “Resourcing The Missing Middle”

### PRIVATE EQUITY: A NEW SOLUTION FOR AFRICAN SMEs

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

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

# INVESTING IN SUB-SAHARAN AFRICAN

## A dynamic yet challenging region

### Significant growth momentum, fragilized by the COVID19 Crisis

- Sub-Saharan Africa reached 2.5% growth in 2019 (World Bank). Overall, the growth recovery has been faster than envisaged, especially among non-resource-intensive economies, underscoring Africa's resilience.
- Although Africa is not yet the continent the most affected by the virus, economic consequences are likely to be severe. Growth is expected to fall sharply, up to -5.1% in 2020, signifying the first recession in the region in more than 25 years (World Bank).
- Africa will become the world's youngest and most populous continent over the next few decades. Its labor force will rise from the estimated 620 million in 2013 to nearly 2 billion in 2063 (AfDB). A demographic dividend could provide a great opportunity for Africa, if, and only if, the continent manages to cope with the current health and economic crisis in order to provide economic opportunities for all.

### A strong entrepreneurial spirit

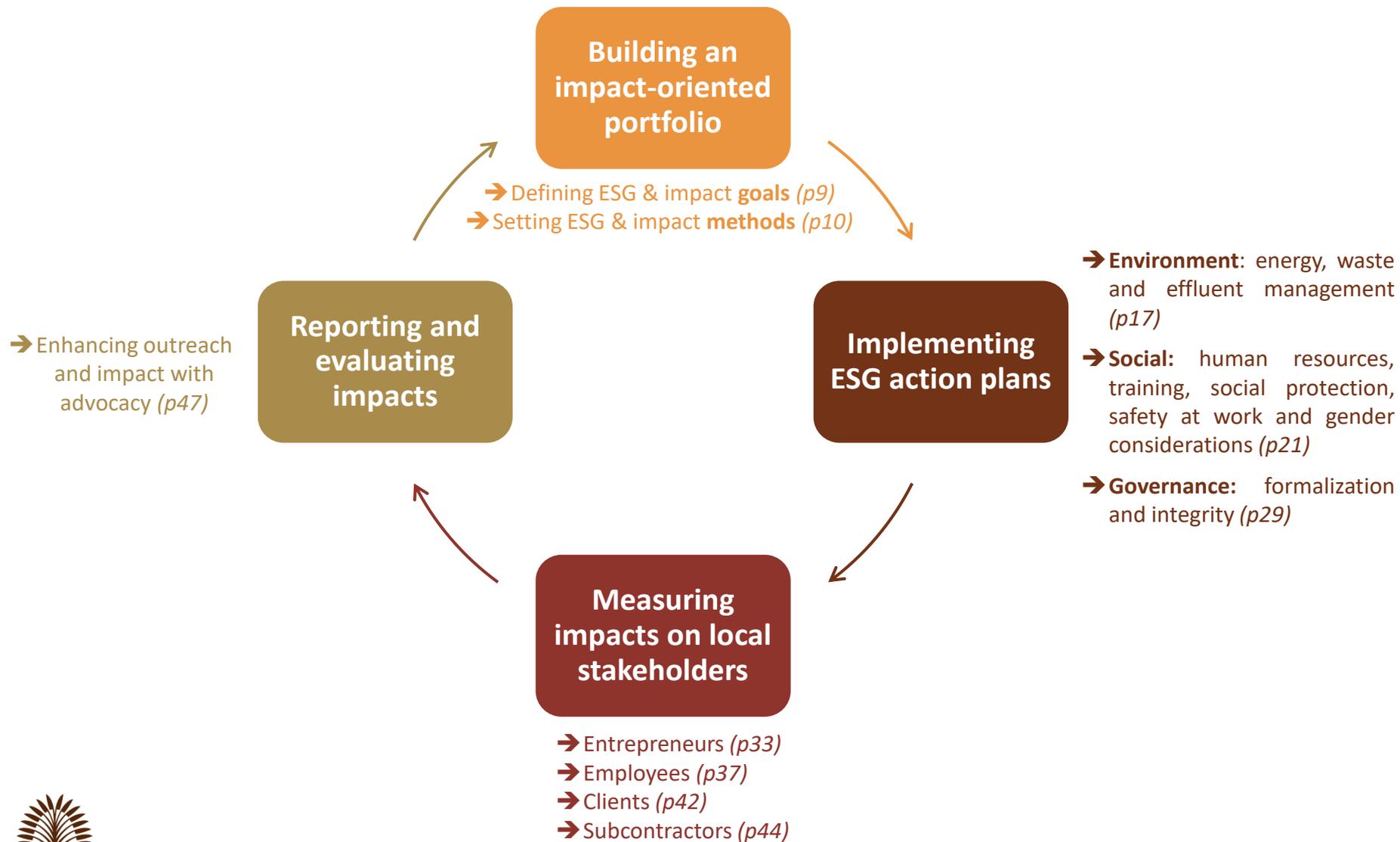
- A 2015 Approved Index study ranked Africa among the top of the entrepreneurship chart.
- 26% of sub-Saharan African women are actively involved in entrepreneurship, making Africa the leading continent for women entrepreneurship (Rolland Berger).

### Still many development challenges

- Africa's recent high growth rates have not been accompanied by high job growth rates. Between 2000 and 2008, employment grew at an annual average of 2.8%, roughly half the rate of economic growth. Hence the importance of financing SMEs that have a greater potential for job creation.
- African SMEs suffer from very limited access to the formal financial sector: more than 40% of SMEs cite access to finance as the major factor limiting their growth (World Bank)

In such a context, I&P capitalizes on its knowledge in the field and on its 17 years of impact investing in these countries. This enables it to fulfill its mission to invest in these fragile countries by managing the risks involved as effectively as possible.

# I&P'S IMPACT MANAGEMENT WHEEL



# ESG AND IMPACT OVERARCHING OBJECTIVES

Four impact goals supported by strong ESG performance

FROM ESG  
TO IMPACT

## RISK MANAGEMENT

Understand and minimize Environmental Social and Governance (ESG) risks

## VALUE CREATION FOR THE INVESTEE COMPANY

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

## DEVELOPMENT IMPACT

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

### ENTREPRENEURS

Develop entrepreneurship by supporting African SMEs underserved by financing, particularly in the most fragile countries

### EMPLOYEES

Create decent jobs and training opportunities

### CLIENTS

Meet unsatisfied demand for goods and services and contribute to the SDGs

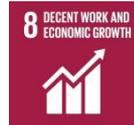
### SUBCONTRACTORS

Create business for local suppliers and distributors and strengthen/fortify the local economic fabric

while fostering environmentally friendly development

and integrating a gender lens perspective

## I&P'S MAIN CONTRIBUTION TO THE SDGS



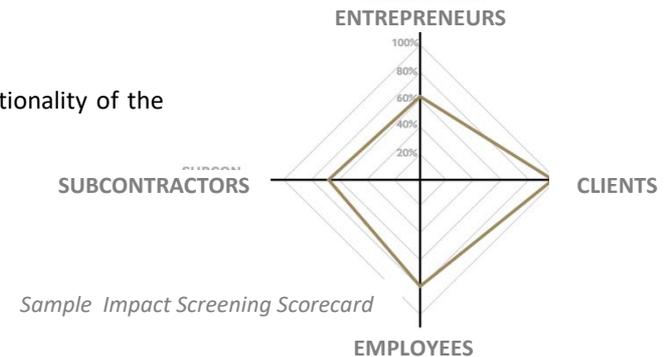
# IMPACT MANAGEMENT – PRE-INVESTMENT

## Screening investment projects on ESG & impact

### ASSESSING PROSPECTIVE IMPACTS

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

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

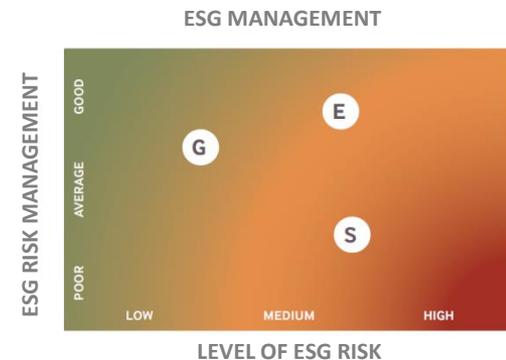


### EVALUATING ESG RISK AND ESG MANAGEMENT

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

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

Sample ESG risk categorization matrix



### CONDUCTING ESG RISK DUE DILIGENCE

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

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

# IMPACT MANAGEMENT – POST-INVESTMENT

## Impact and ESG monitoring during investment and exit

### IMPLEMENTING ESG ACTION PLANS TO GENERATE ECONOMIC AND SOCIETAL PERFORMANCE

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

### MEASURING ESG & IMPACT RESULTS ANNUALLY



#### Annual Collection & Analysis of Impact Indicators

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

**ENTREPRENEURS**

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

**EMPLOYEES**

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

**SUBCONTRACTORS**

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

**CLIENTS**

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



#### 360° Impact Studies (available on I&P’s website under “Resources”)

Once a year, I&P conducts in-depth impact studies on one or two partner companies. A 4- to 5-members team conducts a field survey among local stakeholders to evaluate those company’s impacts. Practical recommendations are provided, and followed-up on by the investment team. In 2018, two studies were published on the impacts of formal employment in Madagascar and Senegal. [\(See more on page 40\)](#)

### ENSURING GOOD IMPACT MANAGEMENT AFTER EXIT

- I&P selects buyers who **allow for the sustainability of the company’s impacts and ensure good ESG practices.**
- Impact management issues are included in exit discussions with the selected purchaser(s).

# ESG METHODOLOGY – PRI ASSESSMENT

## Best in-class practices according to PRI assessment

### UN Principles for Responsible Investment Pilot Assessments



- International network of investors (1,184 signatories): implementation of **6 Principles for Responsible Investment**
- **Third assessment report** based on I&P's 2019 report to the PRI
- Based on three modules, on a scale from A+ to D: overarching approach, private equity and inclusive finance (for microfinance)

Module	STRATEGY AND GOVERNANCE	
TOTAL SCORE	28★ (out of a maximum 30★)	<ul style="list-style-type: none"> <li>▪ Very good assessment, placing I&amp;P among the top performers of its category</li> <li>▪ To achieve the best score (30/30), increased disclosure of ESG commitments and third-party verification of the PRI annual report</li> </ul>
Band	A (median score of all respondents: B)	

Module	PRIVATE EQUITY	
TOTAL SCORE	28★ (out of a maximum 30★)	<ul style="list-style-type: none"> <li>▪ Very good assessment</li> <li>▪ Improvement potential: more <u>formal</u> sustainability policies within partner companies</li> </ul>
Band	A (median score of all respondents: B)	

Module	DIRECT – INCLUSIVE FINANCE	
TOTAL SCORE	32★ (out of a maximum 36★)	<ul style="list-style-type: none"> <li>▪ Improvement (from B to A) since 2014</li> <li>▪ As a result of an increased focus on client protection principles and social performance management</li> </ul>
Band	A (median score of all respondents: B)	



ACEP Madagascar © Zen Design

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# OVERVIEW OF IPAE 1 PORTFOLIO

## WESTERN AFRICA

15  
investments

### Benin

- TINCY Boulangerie (*Nutrition & Agribusiness*) \*\*

### Burkina Faso

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

### Cote d'Ivoire

- CONERGIES Group (*Construction & Equipment*) – Branch in Mali \*
- Enval Laboratoire (*B to B Products & Services*)
- Pharmivoire Nouvelle (*Health*) \*\*

### Ghana

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

### Mali

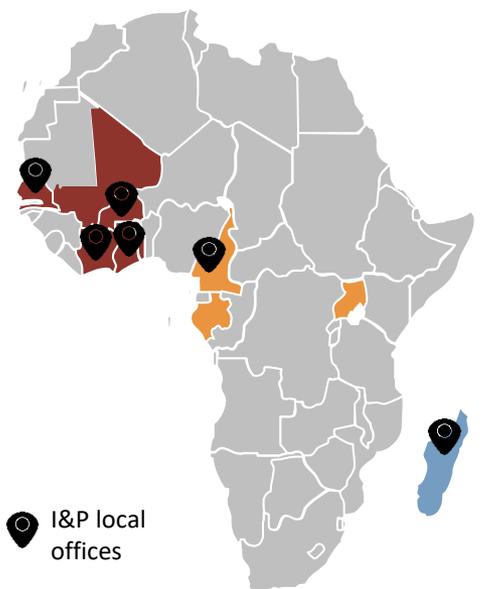
- Carrières et Chaux du Mali, CCM (*B to B Products & Services*)
- Société Malienne de Blanchisserie, SMB (*B to B Products & Services*)

### Senegal

- Delta Irrigation (*Construction & Equipment*) – Branch in Côte d'Ivoire
- NEST FOR ALL (*Health*)
- Neurotech (*IT*)
- SOFAMAC (*Construction & Equipment*)

82%

of companies operating in Least Developed Countries or Fragile Countries



## PAN-AFRICAN

3  
investments

- Africa Radio (*Education & Media*)\*\*\*
- Enko Education (*Education & Media*)
- Barajii (*Nutrition & Agribusiness*)

## CENTRAL AFRICA

5  
investments

### Cameroon

- Carrières du Mongo (*Construction & Equipment*)\*
- ITG Store (*IT*)

### Democratic Republic of Congo

- OXUS DRC (*Microfinance*)\*

### Gabon

- TRIANON (*Construction & Equipment*)

### Uganda

- Finance Trust Bank, FTB (*Microfinance*)

## INDIAN OCEAN

6  
investments

### Comoros

- Banque des Comores, BDC (*Microfinance*)

### Madagascar

- ACEP Madagascar (*Microfinance*)
- IOT (*Nutrition & Agribusiness*)\*
- PDS (*Nutrition & Agribusiness*)
- SCRIMAD (*Nutrition & Agribusiness*)
- Ultramaïlle (*Other Industry*)

For the impact assessment, we consider the latest data for 23 SMEs only (out of 29 investments),

\* We no longer receive impact report from 3 companies since IPAE has mostly or fully exited from these companies.

\*\* Pharmivoire et Tincy did not communicate their 2019 impact report

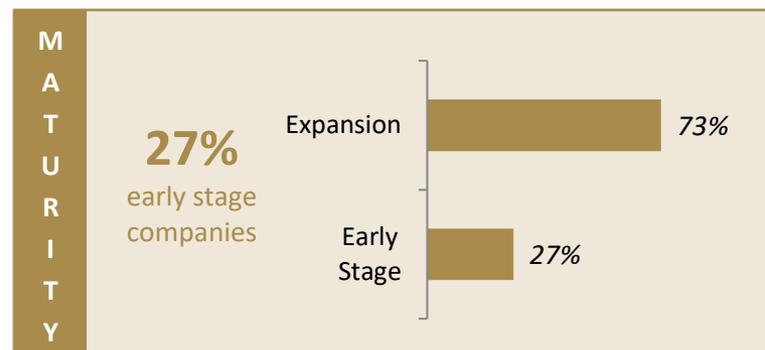
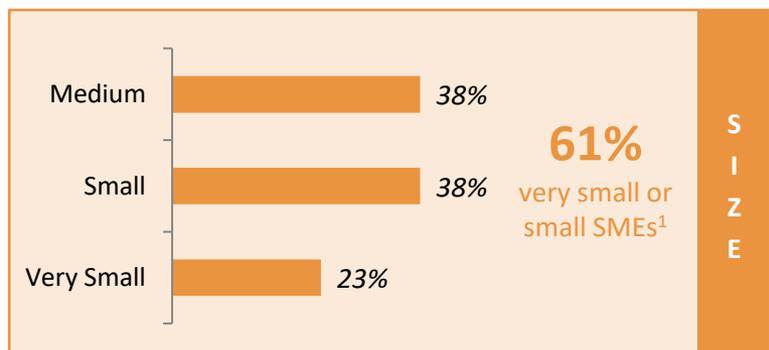
\*\*\* Africa Radio business was launched recently, there is therefore no 2019 impact report

# VARIOUS COUNTRIES AND SECTORS



Since its creation in 2012, IPAE has invested in **29 companies located in 12 different African countries** and operating in a great variety of sectors.

To foster Sub-Saharan SME development, IPAE finances **small to medium-size businesses** that are mostly at an early or expansion stage.



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

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



Enko Education © Béchir Malum

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- Environment
- Social
- Governance

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# CONTRIBUTION TO ENVIRONMENTAL CHALLENGES

## Addressing energy, waste and effluent issues



I&P wish to establish a “climate policy” to formalize our objectives and approaches to climate-resilient economic growth in Africa through private finance and local entrepreneurship.

### PROMOTE ENVIRONMENTAL OPPORTUNITIES

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

**48%** of our partner companies **implement “green” projects\***, as part of their products and services or as a way to mitigate their environmental impact.



### FOCUS ON IPAE POSITIVE CONTRIBUTIONS

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

### MITIGATE POTENTIAL NEGATIVE IMPACTS



#### REDUCING THE PORTFOLIO CARBON FOOTPRINT

##### OUR APPROACH

- Our partner companies can play an active role in experiencing and sharing new and replicable energy efficiency and renewable energy solutions.
- Ultimately, we aim at both separating investees’ economic growth from their carbon growth and setting an example.

##### OUR ACTIONS

- We assess the **portfolio’s carbon emissions** on a yearly basis to identify the main sources of reduction or offset
- We are implementing specific and systematic actions to **promote energy efficiency and renewable energy**



#### MANAGING WASTE AND EFFLUENT ISSUES

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

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

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

# FOCUS ON ENERGY-RELATED MEASURES

## Update on energy-related actions

### OUR APPROACH

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



## 26%



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



Conergies @ Béchir Mialum

### MAIN ACHIEVEMENTS SINCE IPAE INVESTMENT



#### ENERGY EFFICIENCY

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



#### RENEWABLE ENERGY

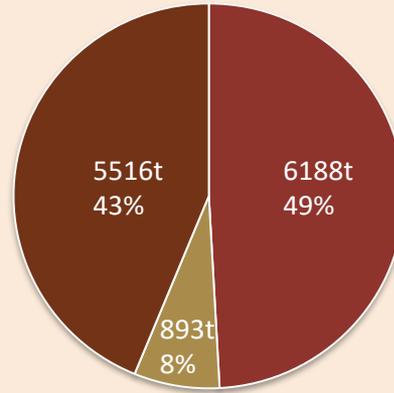
- **Ultramaille:** Installation of a hybrid system for energy optimization with solar power under study (estimated cost: EUR 150k)
- **Eden Tree:** Recent implementation of a solar PV system to reduce energy costs and carbon footprint
- **PEG:** Installation of 23,044 new solar kits for underserved rural households in 2019

# CARBON FOOTPRINT

## Current portfolio carbon emissions by scope and category

### GHG EMISSIONS BY SCOPE IN 2019

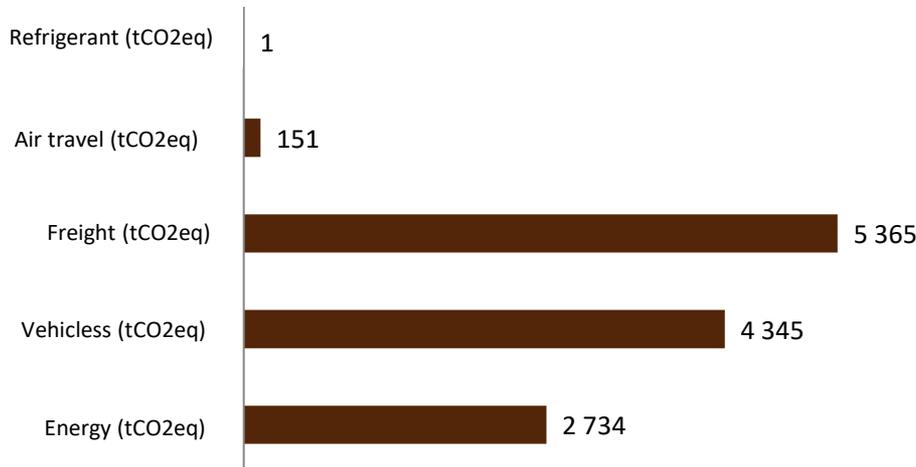
A **carbon footprint** is measured in **tons of carbon dioxide equivalent (tCO2e)**, which allows the different greenhouse gases (GHG) to be compared on a like-for-like basis relative to one unit of CO2.



### TOTAL: 12,597 tCO2eq

- **Total GES Scope 1 (tCO2eq)** Emissions due to the company’s direct activity
- **Total GES Scope 2 (tCO2eq)** Indirect GHG emissions from consumption of purchased electricity, heat or steam
- **Total GES Scope 3 (tCO2eq)** Other indirect emissions (production of purchased materials and fuels, transport-related activities in vehicles not owned by the company, outsourced activities, etc.)

### 2019 GHG emissions by category



### LARGEST SOURCES OF EMISSIONS



**31% from energy:** Some companies need energy to run their plants (PDS, Pharmivoire, SCRIMAD) or for their offices.



**42% from freight:** Sea, air and road transport for equipment or goods , mainly due to Bakou and CCM activities.

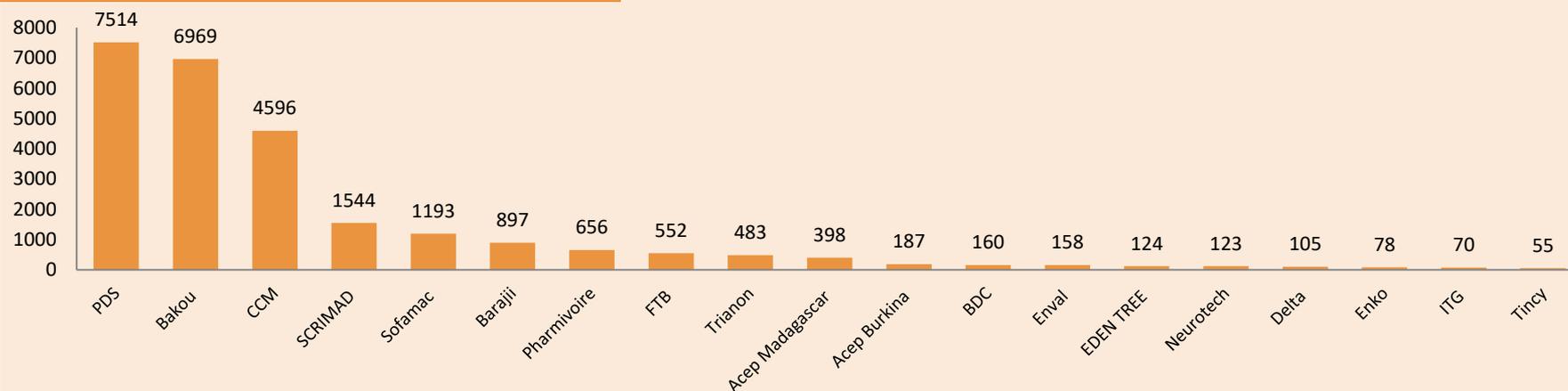


**22% from company vehicles:** About **65%** come from one transport companies (Bakou)

# CARBON FOOTPRINT

## Current portfolio carbon emissions by company

### GHG EMISSIONS BY COMPANY IN 2019

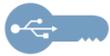


### LARGEST EMITTERS

- **Three companies represent the largest CO2 emitters with nearly 74% of the portfolio's total emissions.** Two are in manufacturing activities (PDS and CCM) for about 47% of total emissions and the other one is in vehicle and transport rental (Bakou) for about 27% of the portfolio's total emissions.
- However two of the three main emitters (PDS and CCM) contribute to environment preservation, as the quicklime production is CO2 emission neutral: the same quantity of CO2 emitted during production is captured during its use by CCM's clients ; and PDS contributes to the promotion of sustainable fishing and provide training to local fishers and surrounding communities in order to raise awareness about good practices with regards to marine species management and conservation
- **The average CO2 emission of companies** is 1,361 tCO2eq and about three out of four companies are below this threshold.

# PROMOTING TRACEABILITY AND BEST E&S STANDARDS

## Access to new certifications, skills and technologies



**45%** of companies incorporating new technology or knowledge transfer



**32%** of companies developing environmental, social or quality certifications

## Implementation of international standards to ensure traceability and good industrial practices

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

<b>SCRIMAD</b>	<ul style="list-style-type: none"> <li>▪ Technical assistance mission conducted by a local NGO to engage producers in an <b>organic and fair trade labelling process</b> (20% of its producers are organic certified, plans to achieve 35% in 2019)</li> <li>▪ Implementation of <b>HACCP processes</b> (with regular audits)</li> </ul>
<b>Ultramaille</b>	<ul style="list-style-type: none"> <li>▪ Products certified by the <b>Global Organic Textile Standard</b>, an international inspection agency</li> <li>▪ Plans to further develop its <b>CSR strategy</b> to turn it into a competitive strategic asset</li> </ul>
<b>PDS</b>	<ul style="list-style-type: none"> <li>▪ Fishing activities are certified by the <b>Marine Stewardship Council (MSC)</b>, the widely respected international label that testifies to the sustainability of a company's fishing activities</li> </ul>
<b>Pharmivoire</b>	<ul style="list-style-type: none"> <li>▪ Gradually implementing <b>Good Manufacturing Practices in their new production unit</b> to increase sales</li> </ul>
<b>Eden Tree</b>	<ul style="list-style-type: none"> <li>▪ Implementing rigorous <b>HACCP processes</b> in the fruits and vegetables processing unit (control system that identifies where hazards might occur in the food production process)</li> </ul>

# PROMOTING SOCIAL STANDARDS IN MICROFINANCE

## Implementing the SPTF Universal Standards for Social Performance Management

### CUSTOMER PROTECTION PRINCIPLES

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

### SOCIAL PERFORMANCE MANAGEMENT

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

## Social Performance Management at ACEP GROUP

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

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

### CORPORATE SOCIAL RESPONSIBILITY POLICY

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

### WEBINARS

An SPM expert (Aïda Gueye) has facilitated a set of virtual workshops ACEP SPM champions (technical assistance mission). These workshops were held in 2018 and 2019 and were focused on lessons learned around several key SPM issues (impact metrics, complaint mechanisms, client surveys, ethical charter, environmental policy). Updated ALINUS assessments are currently being conducted in ACEP institutions.

# HUMAN RESOURCES & TRAINING

Moving towards improved and more formalized HR practices



**SDG 4.4**  
Promote lifelong learning opportunities  
IPAE current performance

**78%**  
of companies held at  
least one training in 2019

**€1 044 663**  
training budget in 2019

**2,762**  
employees  
trained in 2019

Almost two-thirds of our partner companies have formal human resources management structures in place, and all are committed to further improving their practices.

**83%**  
have staff in  
charge of HR

**65%**  
have a formalized  
HR policy

**70%**  
have a formalized  
salary grid

**56%**  
have staff  
representation systems

## HUMAN RESOURCES MANAGEMENT

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

# HEALTH INSURANCE & SOCIAL PROTECTION (1)

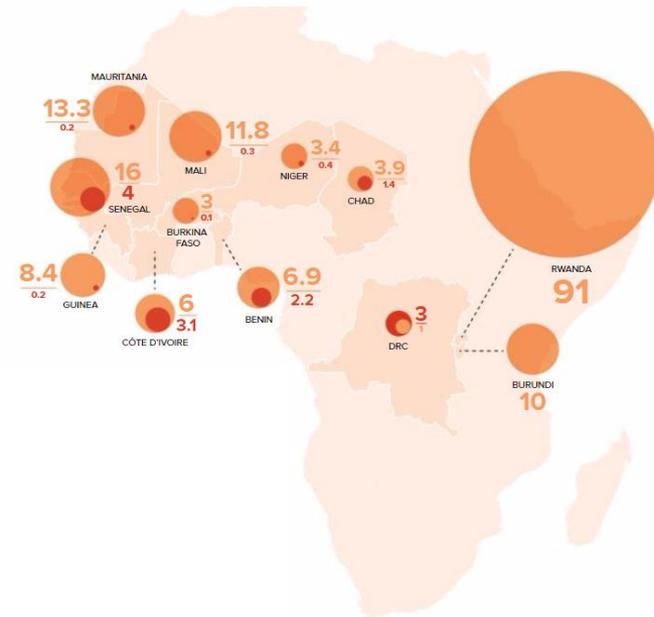
## Performance of partner companies since IPAE investment

### CURRENT SITUATION IN AFRICA

As indicated below, **health insurance coverage remains extremely low in Africa**, from 3% to 20% in West Africa

■ Mandatory insurance ■ Voluntary insurance

Source: data compiled from Preker and coll. (2010), Barroy and coll. (2015)



For more information on the African insurance sector, see PROPARCO's magazine *Private Sector & Development*: [https://issuu.com/objectif-developpement/docs/proparco\\_revuepsd\\_n25\\_uk/1?e=4503065/39027290](https://issuu.com/objectif-developpement/docs/proparco_revuepsd_n25_uk/1?e=4503065/39027290)

### CURRENT SITUATION IN PARTNER COMPANIES

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

# HEALTH INSURANCE & SOCIAL PROTECTION (2)

## Main actions to date



SDG 3.8

Achieve universal health coverage

96%

of our companies  
provide health insurance

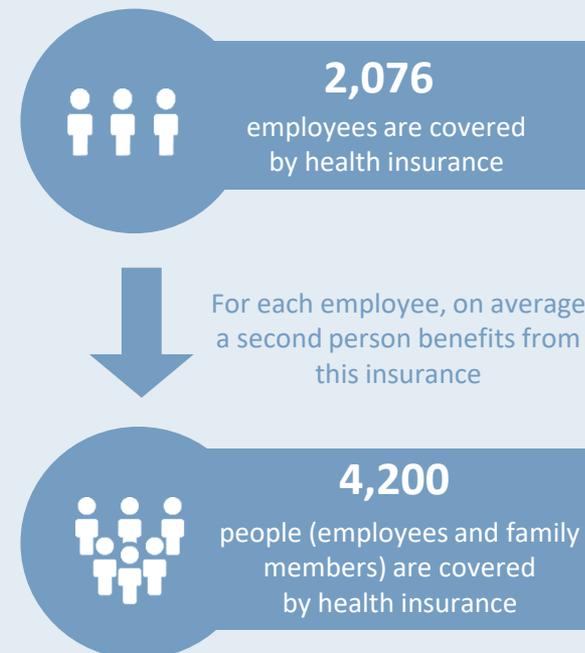
54%

have implemented or upgraded their  
system since IPAE's investment

### MAIN ACTIONS TO DATE

- In 2015** Feasibility study was conducted on health insurance systems in partner companies and training provided during the annual entrepreneurs' seminar.
- In 2016 and 2017** A technical assistance contract was implemented **with a health insurance specialist**:
- Help companies implement/upgrade their health insurance systems
  - Launch pilot initiatives at the portfolio level (share occupational physicians, define minimum health care benefits)
- In 2018** The technical assistance contract ended due to increased unavailability of the health insurance expert. Projects in 2018 included:
- Implementation of a portfolio-wide study **to identify best practices & lessons learned** (25 respondents among portfolio companies). This study was shared with the entrepreneurs and presented during the 2018 entrepreneurs' annual seminar.
- In 2019** Current process to identify a new independent and qualified expert/consultancy company to assist portfolio companies.

### After IPAE Investment



# HEALTH & SAFETY AT WORK

## Production-related risks and road safety under close scrutiny



**SDG 8.8**  
Promote safe and secure working environments

**54%**

of our companies have implemented measures to **enhance safety at work** (formalized processes, employee training, etc.)



### MONITORING OF INDUSTRIAL AND SANITARY RISKS

- During the due diligence phase, impact assessments or technical audits are conducted for all projects involving significant risk
- Any serious incident is directly reported to our investors. In 2019, no major incident occurred.
- Most ESG action plans include actions related to health and safety at work. In the wake of the first industrial accident in 2019, the project is launching a **technical assistance program** dedicated to occupational health and safety
  - Scope: all SMEs who have health and safety challenges
  - Objectives :
    - Assess current practices and define priority action items
    - Train entrepreneurs and employees on best practices
  - Timeline: Gradual implementation of the program, one country at a time



### ROAD SAFETY REMAINS A MAJOR HEALTH AND SAFETY RISK

- New partner companies receive I&P's **list of recommendations and best practices** to support implementation of road safety procedures
- The investment team regularly raises the road safety issue during board meetings and management meetings
- 4 road accidents recorded in 2019, but none of them was severe.
- PEG and Eden Tree have implemented road safety trainings in 2019 in order to reduce road accidents.

# ADDRESSING THE GENDER GAP (1)

## Women's access to entrepreneurship and leadership positions



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

**69%** of IPAE's portfolio companies satisfy 2X Challenge criteria

**67%** of those companies satisfy at least two criteria

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



### FOCUS ON MAIN FIELDS OF ACTION

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

- On Women's Day 2019 I&P published a **report in order to review I&P's performance in terms of gender equality**.
- In 2018, a series of portraits of women entrepreneurs was realized and shared widely across our networks.
- In 2019 I&P published an article entitled "**How can general impact investors tackle gender-related issues?**" in the Proparco magazine : *Private Sector & Development*.
- I&P actively participated in events related to gender issues, including the **Women in Africa event**..



SDG 5.5

Ensure women's full participation in leadership

### REPRESENTATION OF WOMEN : Portfolio performance after IPAE investment

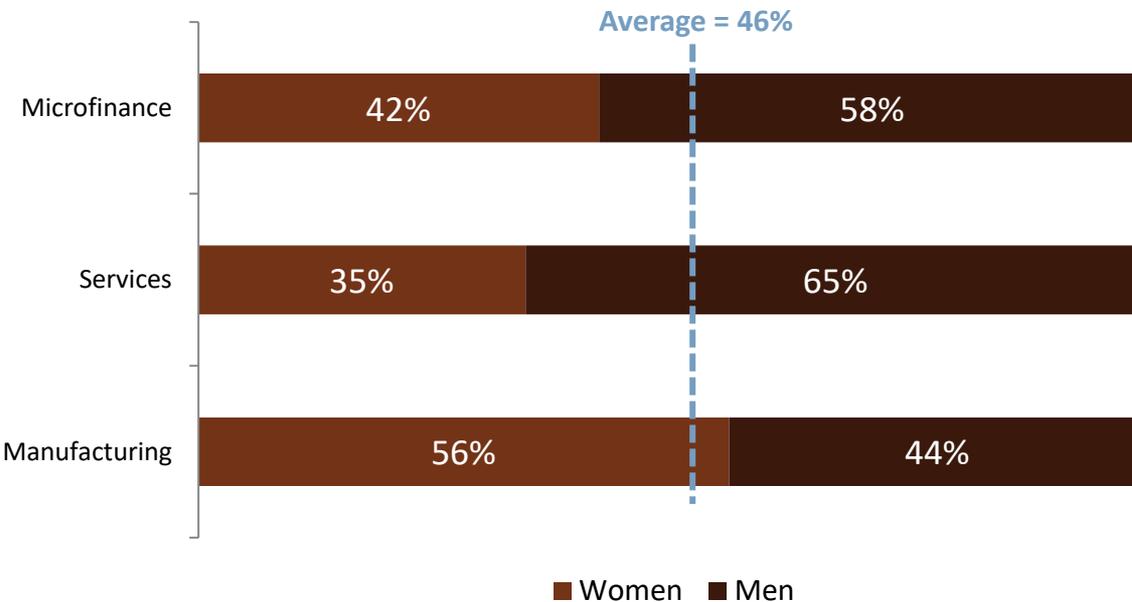


(\* ) Women Matter, Africa, Mc Kinsey & Company, 2016

# ADDRESSING THE GENDER GAP (2)

## Women's access to decent jobs and training opportunities

*Gender breakdown in current IPAE portfolio by sector*



The proportion of women among employees is fairly balanced, whatever the business sector, with an average of **46% of women employees** in our portfolio.



### KEYNOTE

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

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



NEST © Joan Bardeletti

# FOSTERING GOOD GOVERNANCE (1)

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



## KEYNOTE

**Under the New Partnership for Africa's Development (NEPAD), African governments have committed to:**

- Implement regulations to foster economic activity, as well as subsidies when necessary
- Develop company responsibility towards Human Rights, society and the environment (Corporate Social Responsibility, CSR)
- Fair and equitable treatment of all stakeholders (shareholders, employees, society, suppliers, customers)
- Accountability of all companies and administrators, as well as mandatory disclosure of all relevant information
- Accounting and auditing procedures in line with national and international standards

*Source: 2011 African Development Report, African Development Bank*

## 1

### IMPLEMENTATION OF A SHARED GOVERNANCE

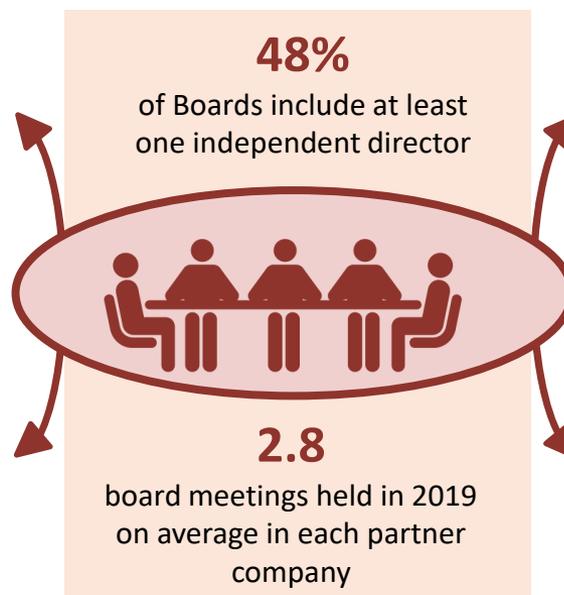
IPAE requires all partner companies to establish a Board of Directors. Board members include:

#### Entrepreneur(s)

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

#### One or two independent directors

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



#### One or two IPAE members

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

**Other minority shareholders** might be represented in some cases.

# FOSTERING GOOD GOVERNANCE (2)

## Transparent & reliable accounting and management practices

### 2

#### UPGRADING OF ACCOUNTING AND REPORTING PRACTICES

##### OUR CONTEXT

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

16

TA missions focused on improving accountability and financial practices

##### OUR ACTIONS

5

manuals for financial and accounting written.

##### Audited accounts

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

##### Training seminars

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

##### Technical assistance

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

18

TA missions in 2019 focused on management information systems.

### 3

#### DIFFUSING ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

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

# CONTRIBUTION TO SME FORMALIZATION

## Ensuring full social and fiscal compliance



### KEYNOTE

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



### SDG 17,1

Strengthened domestic resource mobilization

## €11 million

in taxes paid to the local authorities in 2019



### FOCUS ON MAIN AREAS OF ACTION

- Some of our portfolio companies were partially informal (Tincy, SMB) or not fully compliant with labor laws (Pharmivoire) prior to investment. IPAE required each of them to undertake a formalization process as a condition for investment.
- Some companies have experienced waves of employee departures by employees who did not wish to formalize that have temporarily destabilized the commercial activity.
- In August 2018, a study was conducted in Senegal and Madagascar on a group of IPDEV2 and IPAE partner companies in order to capitalize on partner companies' experience and better understand the issues at stake, with two areas of focus:
  - **Key barriers to formalization for companies.**
  - **Socio-economic impacts for employees of a job contract** (higher wages, better job security, access to bank accounts, access to social benefits such as a pension plans, health insurance)

[\*Read more about the study\*](#)



Trianon © Wan Gabon Pictures

# IPAE 1 - ESG & IMPACT REPORT

## IMPACT THESIS AND METHODOLOGY

## IMPACT MANAGEMENT IN 2019

- 1 PORTFOLIO OVERVIEW
- 2 IMPLEMENTING ESG ACTION PLANS
- 3 MEASURING IMPACTS ON LOCAL STAKEHOLDERS**
- 4 ENHANCING OUTREACH & IMPACT WITH ADVOCACY

# PROMOTING AFRICAN ENTREPRENEURS

Support of local entrepreneurs, even in the most fragile countries

## Gender-diverse entrepreneurs and managers with local roots



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

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

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



Folly Koussawo,  
Trianon



Catherine Krobo-Edusei,  
Eden Tree

## Significant local and international experience



**15 years** of **experience** in their sector

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

## A great majority operating in the poorest and most fragile countries



**82%** of our partner entrepreneurs operating in Least Developed Countries and/or Fragile Countries



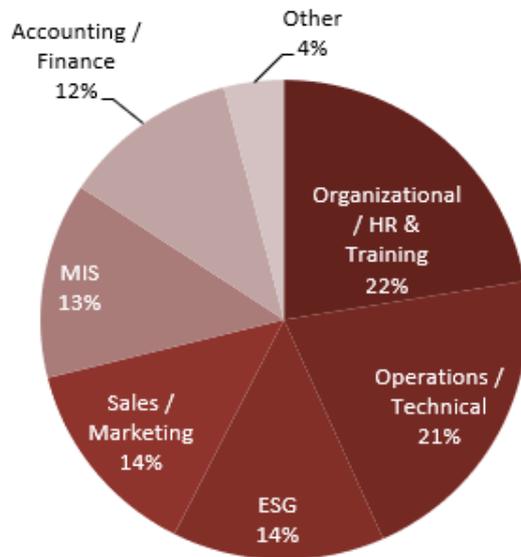
Bakary Coulibaly,  
ENVAL Laboratoire

# SUPPORT FROM THE TECHNICAL ASSISTANCE PROGRAM

## CONTEXT

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

## AREAS OF ACTION



## MAIN FIGURES

**116** missions have been conducted and 10 are still in progress



A total budget of **€1,261k** financed by EIB (€695k), FISEA (€336k) and investee companies (€230k)



**All our companies** have benefited from this program



**2,597 days** have been dedicated to TA missions



**86** different experts (**48%** of whom are African) have been assigned to TA missions

# SUPPORT FROM THE TECHNICAL ASSISTANCE PROGRAM

## Examples of missions led in various sectors



### ESG & IMPACT

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

Number of beneficiary employees: 16

Number of people trained : 8

Deliverables and tools used by the company : 2



### HUMAN RESOURCES

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

Number of beneficiary employees: 15

Number of people trained: 15

Deliverables and tools used by the company : 1



### SALES & MARKETING

**Market study on 5 target countries at VRS (Ghana)**

Number of beneficiary employees: 1

Number of people trained: N/A

Deliverables and tools used by the company : 1



### ACCOUNTING & FINANCE

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

Number of beneficiary employees: 8

Number of people trained: 3

Deliverables and tools used by the company: 4



### OPERATIONS

**Coaching of the factory team to improve productivity at Scrimad (Madagascar)**

Number of beneficiary employees: 10

Number of people trained: 4

Deliverables and tools used by the company : 2



### MANAGEMENT INFORMATION SYSTEMS

**Implementation of an accounting software at Neurotech (Senegal)**

Number of beneficiary employees: 3

Number of people trained: 3

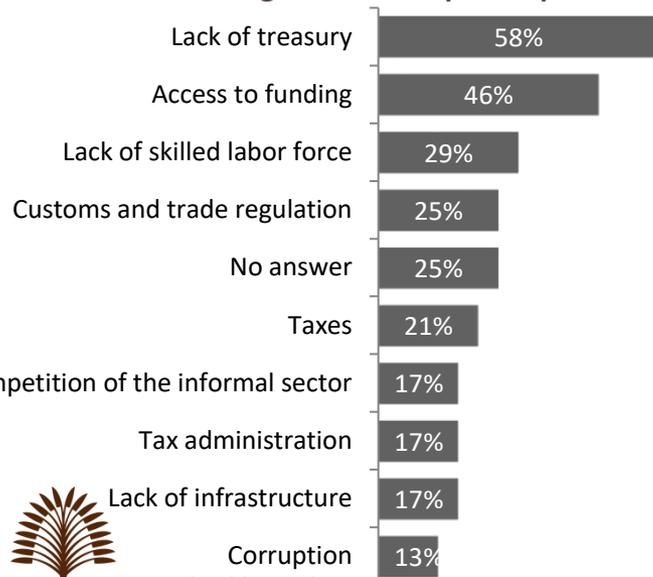
Deliverables and tools set up by the company: 3

# SUPPORTING ENTREPRENEURS UNDERSERVED BY FINANCING

## STRONG ADDITIONALITY OF IPAE'S INVESTMENT

- 55%** of companies would not have been able to carry out their investment project without IPAE's funding
- 96%** of companies would not have been able to carry out their investment project without IPAE's funding or would have done so at a smaller scale

### Main obstacles faced by our investee companies during their development process



## LEVERAGE EFFECT OF IPAE'S INVESTMENT



### SDG 17.3

Mobilize additional financial resources

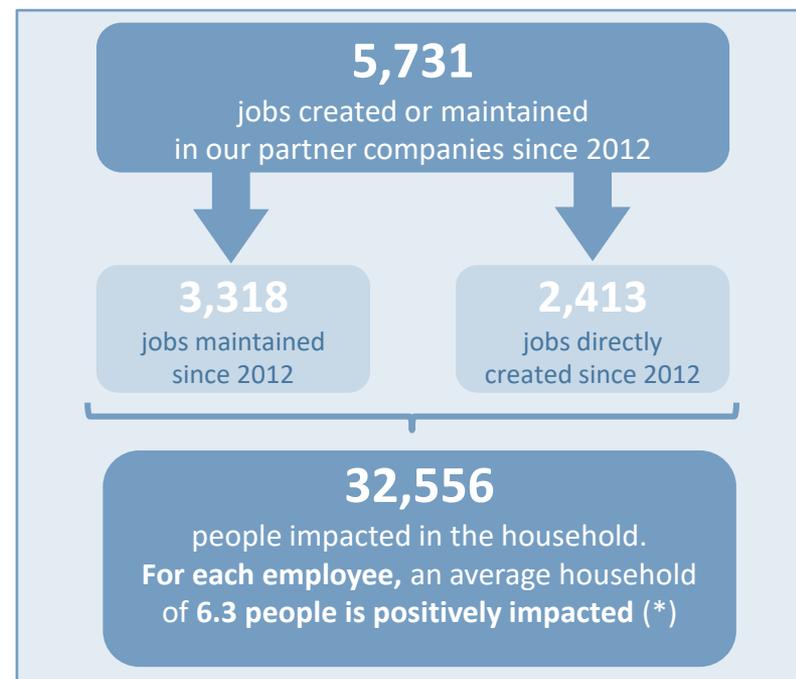
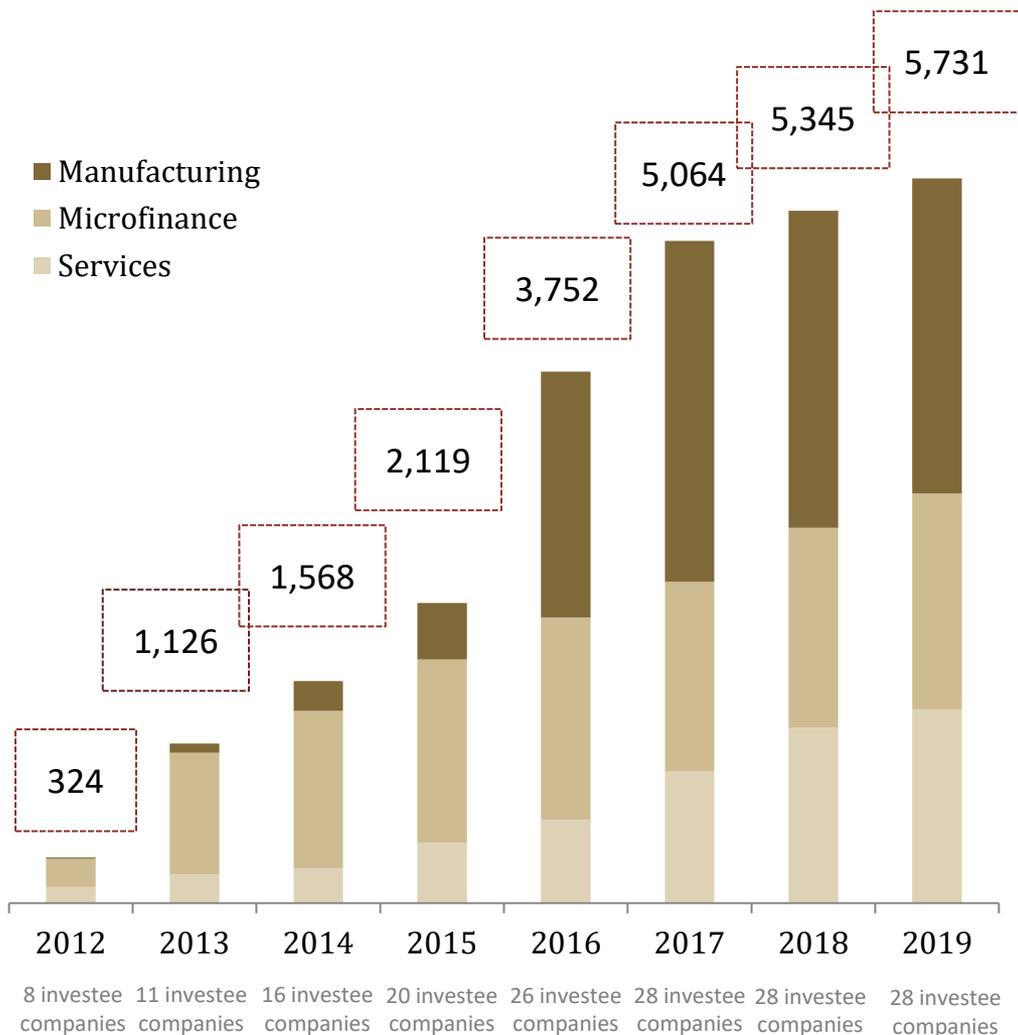
- SMEs face **significant difficulty securing external financing** from local commercial banks and other traditional financiers.
- We assist our entrepreneurs in their negotiations with other local or international financial institutions** or by participating in the search for new shareholders, using our networks. The resulting leverage effect is of 60%.



(\* ) This figure is computed by dividing the amount invested (equity and debt) by the amount invested by investors other than IPAE at the time of the initial investment by the amount of IPAE's investment (equity and debt).

# CREATING DECENT JOBS (1/2)

## Portfolio performance after IPAE investment

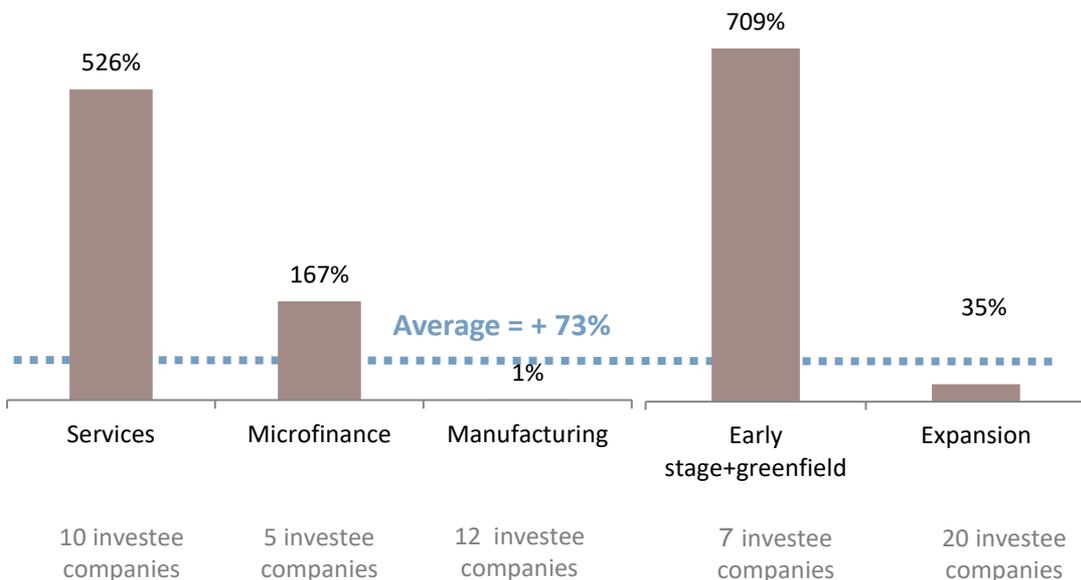


(\*) This figure is computed by multiplying the number of employees by the average household size in each country, based on GDL data available online: <https://globaldatalab.org/areadata/hhsize/>

# CREATING DECENT JOBS (2/2)

73% direct employment growth since IPAE's investment

Direct employment growth since IPAE investment (%)



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

<

**73%**  
direct employment growth since IPAE's investment

- As expected, **microfinance is an important source of job creation.**
- Less well known is the equally important, and even greater, **job creation potential of service companies.** They are often very labour-intensive and their expansion often depends on the recruitment of additional human resources. Their strong job creation can also be explained by their initial development stage (more than half are start-ups).
- **Manufacturing projects** mainly increase productivity, which can lead to job destruction that is partly compensated by the resulting growth.
- The COVID crisis will most certainly impact the current rhythm of jobs creation in the months to come.



## KEYNOTE

The McKinsey Global Institute states that 72 million new jobs are to be created in Africa by 2020, while 122 million people are expected to enter the job market over the same period.

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



**SDG 8.6**  
reduce the proportion of youth not in employment

**421**  
young employees (under 25)

# LEVEL OF WAGES

Average minimum wage of IPAE portfolio is currently 50% higher than the legal minimum wage



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

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

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

**€107 million**  
in payroll paid to employees since 2012

**€26 million**  
in payroll paid to employees in 2019



**SDG 8.5**  
Decent work for all

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

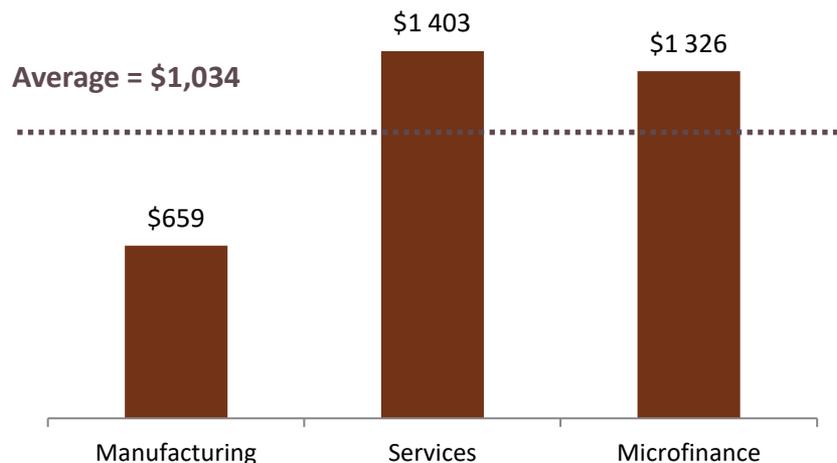
**\$1034**  
average wage in portfolio companies



**\$657**  
average wage in Sub-Saharan Africa (\*)

# WAGES AND QUALIFICATIONS

Current portfolio performance : 23% of high-skilled employees



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

Employment breakdown per qualification, per sector

■ High skilled

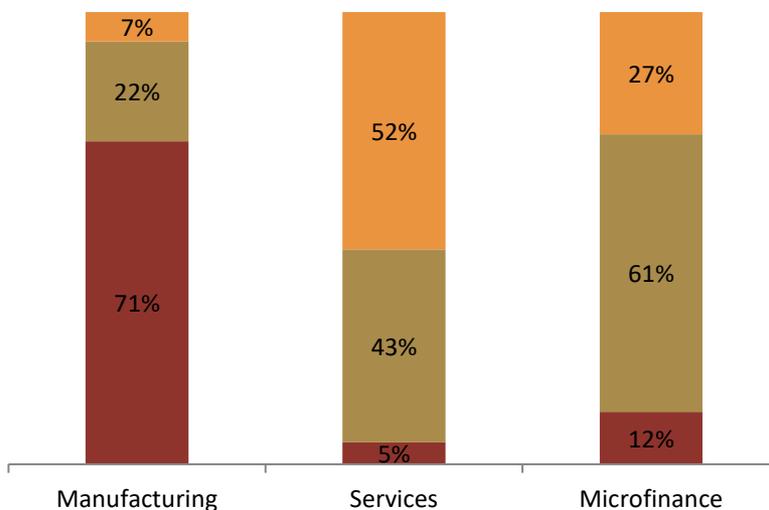
*Ex: management positions*

■ Middle skilled

*Ex: credit officers*

■ Low skilled

*Ex: maintenance technicians*



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



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

# FOCUS ON FORMAL EMPLOYMENT

## An in-depth impact study underlining the benefits of a formal job

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



### Access to employment

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

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



### A higher wage supporting an entire household

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

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

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

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

### Essential social benefits



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

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

### Better financial inclusion



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

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

# ADDRESSING BASIC NEEDS IN AFRICA (1)

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

89%

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

61%

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

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

- **Eden Tree:** Provider of fresh fruits, vegetables and herbs
- **TINCY:** Industrial bakery that produces and distributes bread



**489** tons of fruits and vegetables sold in 2019

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

- **NEST:** Quality healthcare for women and children in Senegal
- **Pharmivoire:** Intravenous fluids for Ivorian medical centers



**8,413** visits at NEST in 2019



**32%** of NEST's patients benefited from reduced rates in 2019

## GOAL 4: Ensure inclusive and equitable quality education

- **Enko Education:** Renowned, high quality education provider



**1,818** students in 2019



**22%** Of the students received a scholarship in 2019

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



**47%** of Enko students are women



**44%** of microfinance institutions' borrowers are women

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

# ADDRESSING BASIC NEEDS IN AFRICA (2)

A majority of investments provide essential, SDG-aligned goods and services

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

- **Barajii:** Produces and commercializes water and locally produced fruit juices
- **Delta Irrigation:** Saves water thanks to efficient irrigation systems



**447 817hl**  
of water and  
juices sold in  
2019

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

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



**23,044**  
solar kits sold  
in 2019

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

- **Microfinance (4 institutions to date, one exit):** Access to affordable loans for small scale enterprises



**75,622**  
borrowers in 2019

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

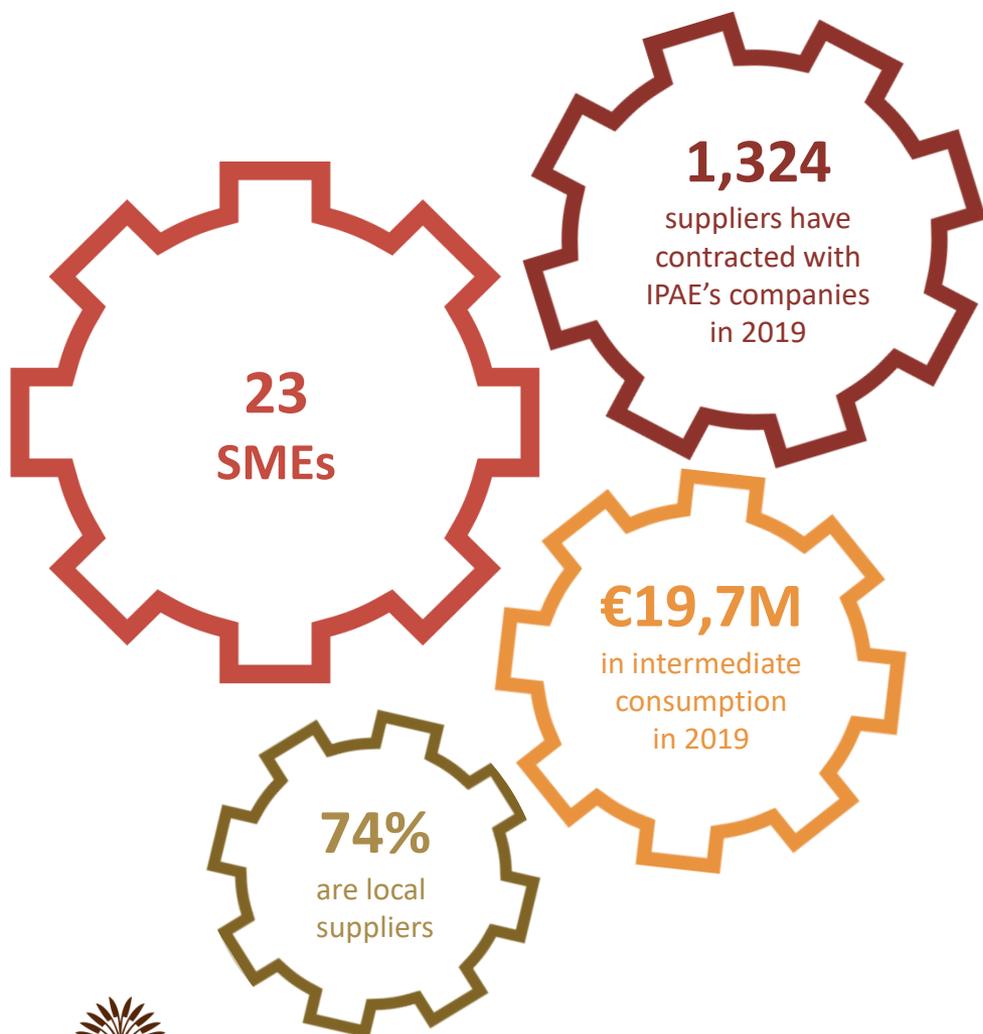
- **SOFAMAC and Carrières et Chaux du Mali (CCM):** Building material industries
- **ENVAL Laboratoire:** Microbiological and physico-chemical tests and analysis
- **Trianon :** Building company
- **CONERGIES:** Air conditioning and industrial cooling systems using energy-efficient technologies



**10,715**  
tons of quicklime  
sold in 2019

# RIPPLE EFFECT ON LOCAL SUPPLIERS

SMEs build local networks of subcontractors



## AGRIBUSINESS

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



**1,689 tons** of fruits and vegetables collected in 2019 by SCRIMAD and Eden Tree



**5,439** small producers reached in 2019 by SCRIMAD, Eden Tree and PDS



**34%** of small producers are women (SCRIMAD, Eden Tree and most of PDS subsidiaries)

## TECHNICAL ASSISTANCE

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

**50%** of small producers have received TA and inputs<sup>1</sup>

<sup>1</sup>This data refers not only to IPAE-provided technical assistance but also to other programs implemented by the companies themselves

# IPAE'S MAIN RESULTS IN 2019

## ENTREPRENEURS

- **88%** of our partner entrepreneurs are rooted in Africa for the long term
- **16%** are led by African women
- **96%** of companies would not have been able to carry out their investment project without IPAE's funding or would have done so at a smaller scale
- **€1.6 raised for each €1 invested** by IPAE

## EMPLOYEES

- **5,731 jobs** maintained or created since 2012
- **32,665 household members** impacted
- **58% direct employment growth** since IPAE's investment
- **96%** of our companies provide health insurance

## IPAE 1 SMEs

- **1,324 suppliers** have contracted with IPAE companies
- **75% of suppliers are local**
- Over **5,000 small producers** reached

- **89%** of our partner companies address local needs
- **61%** of our partner companies provide goods or services that address **essential needs and contribute to the new SDGs**

## SUBCONTRACTORS

## CLIENTS

E

**48%**

of our partner companies  
implement "green" projects

S

**46%**

of women employees  
in our portfolio

G

**€11M**

in taxes paid to  
the authorities in 2019



PEG Africa © Béchir Malum

# IPAE 1 - ESG & IMPACT REPORT

IMPACT THESIS AND METHODOLOGY

IMPACT MANAGEMENT IN 2019

- 1 PORTFOLIO OVERVIEW
- 2 IMPLEMENTING ESG ACTION PLANS
- 3 MEASURING IMPACTS ON LOCAL STAKEHOLDERS
- 4 ENHANCING OUTREACH & IMPACT WITH ADVOCACY

# I&P'S ADVOCACY POLICY

## Our vision and objectives

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.



### VIDEOS

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

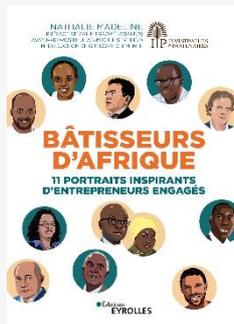
### ARTICLES & BLOG

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 **Entrepreneante Afrique** blog.

### BOOKS

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



### Our latest publication:

#### ***Bâtisseurs d'Afrique* (Eyrolles, 2020)**

Resulting from the collaboration between the group Investisseurs & Partenaires (I&P) and the author Nathalie Madeline, the book *Bâtisseurs d'Afrique* retraces the careers of eleven African entrepreneurs supported by I&P.

# PROMOTING GOOD PRACTICES

## A growing ecosystem

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

### A COMMITMENT TO RESPONSIBLE INVESTMENT



### IMPACT INVESTING & PHILANTHROPY NETWORKS



### AFRICAN NETWORKS



# PROMOTE ENTREPRENEURIALS' VOICES IN AFRICA

## Focus on the African Club of Entrepreneurs



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

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



### ADVOCACY PROJECTS AND MAIN ACTIVITIES IN 2019-2020

- Arrangement for the members to take part in **MOOC sessions** (online courses) developed by top business schools and consulting firms
- The Club is one of the founding partners and a regular **contributor of the blog "Entreprenante Afrique"**, in collaboration with I&P and FERDI

**Company visits** by the executive office to learn about entrepreneurs' experiences and situations on the ground (Dakar, January 2020)

**Country cluster meetings** for sharing experiences (Dakar, January 2020)

8<sup>th</sup> edition of the **annual training seminar** (Paris, October 2019)

Executive Manager meeting with **Burkina Faso employers' organization** (CNPB) to present the Club and discuss opportunities for collaboration (Ouagadougou, March 2020)

For more  
information  
please visit:  
[www.ietp.com](http://www.ietp.com)



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