



I&P Afrique Entrepreneurs 2

Annual ESG and Impact Report

March 2022

Foreword

2022 is a special year for us, as it marks the twentieth anniversary since the creation of I&P. These 20 years of funding and advocating for African entrepreneurship have constantly strengthened our convictions about the importance of relying on a responsible private sector to contribute to Africa's development. The covid crisis together with the current geopolitical tensions further confirm the need to reinforce the autonomy of the African continent by strengthening local production. At I&P, we are convinced that Small and Medium-Sized businesses are key players for inclusive growth.

In 2021, and despite a difficult economic context still marked by the covid crisis, we have maintained and reinforced our commitment to African entrepreneurship. The pace of investment has particularly accelerated with 8 new investments made for IPA2. These are all projects with powerful economic, social and environmental impacts, as the rest of this report shows.

More than ever, IPA2 has proven to be a useful and impactful vehicle to address the challenges of our times. The purpose of impact investing is to create economic and human prosperity where markets don't work, where investors usually don't go because it's too difficult, too costly, too risky – while of course seeking financial returns. During times of crisis, it becomes even more important, both in supporting African entrepreneurs and in advocating for their cause in African public policy.



Sébastien BOYÉ
Co-CEO



Jérémy Hajdenberg
Co-CEO

A word from the team

From a « Nice to have » to a “must have”

Ten years ago, ESG was considered as a “bonus”. Only few investors had integrated environmental, social and governance dimensions into their due diligence process and the monitoring of their investees.

Over the years, institutions began to establish ESG criteria and made it a matter of compliance. Each investment fund now is required to have its own ESG policy. Each must assess its investees' working conditions, and compliance with social and environmental laws. ESG has become a “must have” and not a “nice to have” anymore. However, the methodology and consideration of ESG remain confined to the identification of risks, and management of those risks.

From ESG to Impact

How about doing beyond what is mandatory, beyond managing risk and towards creating Impact?

If I were to give my own definition, to me it means inducing a progression. Inducing is succeeding in leading or persuading others to do something. Progression is an improvement, a development, a growth. For example: selling a solar home system to a mofogasy (a Malagasy bread seller), via a pay-as-you-go system, to induce a progression of her income and livelihood. She will be able to open her store earlier in the morning and later in the evening, hence attract more customers.

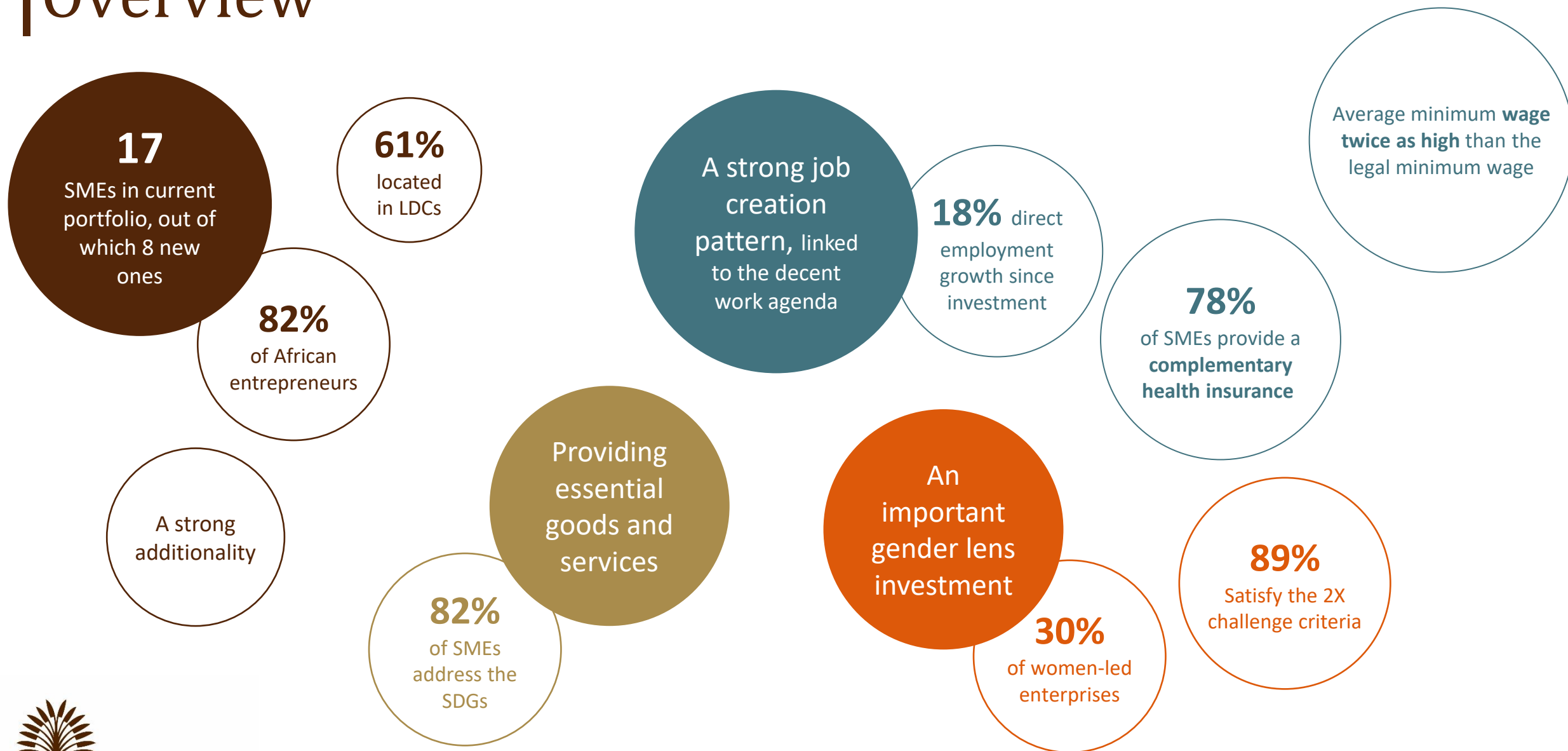
This progression has to be measured, in order to know its amplitude in one hand, and in one another hand, to demonstrate the causality link, but above all, to do better.

And finally, we have to communicate this Impact, in order to allow the dissemination of the practice, to let people know that is possible, and ideally, to be copied and to be overtaken, for the good of all.



Mialy RANAIVOSON
Investment Director, Madagascar

Overview



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I&P: an 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**. Launched in 2002, I&P has developed four complementary business models to provide SMEs the necessary financing and skills to succeed and grow. As an impact investor, I&P has a dual objective of financial return and impact.



A team of **130** people

- A committed team, spread over **10 African sites**: Burkina Faso, Cameroon, Ivory Coast, Ghana, Kenya, Madagascar, Mali, Niger, Uganda and Senegal, as well as in **France** and the **United States**.
- I&P and its partner funds have raised **€400+ million** from African and international investors



4 pillars of activity

- **3 pillars dedicated to SME funding and support**, segmented according to the size and maturity of the companies: I&P Acceleration, I&P Development and **I&P Expansion**.
- **1 pillar "I&P Ecosystems"**, which aims to develop an environment conducive to SMEs and strengthen the skills of the players in the ecosystem



200+ partner companies

- **130** capital-funded companies and **80** companies benefiting from acceleration programs
- Financing needs ranging **from €10,000 to €5 million**
- Based or operating in **some 20 Sub-Saharan African countries**

IPAE 2 is part of I&P Expansion's line of business:

○ Size	€92 million
○ Tickets	From €300 000 to €5 million (average ticket size: €2M)
○ Portfolio	19 companies
○ Sectors	General (all sectors)
○ Geography	Sub-Saharan Africa
○ Fund life	Close end, 10-year tenure

Recovery amid ongoing uncertainty

Economic activity in Sub-Saharan Africa has been recovering slowly with an **upward revised economic growth by 3.7% in 2021**. Growth is forecast to resume at a moderate average pace of 3.8% in 2022. Moreover, **remittances increased by 2.6%** and the **SSA sovereign insurances** have made a historic rebound in the financial market (Eurobond). There was also a **slight drop in government indebtedness** of 1 percentage points in 2021, to reach a level of 56%.

Nonetheless, SSA suffers from a **significant variation of recovery across regions** mostly with the **low vaccine coverage at 3%** of the population compare to more than 60% for emerging and developed countries. Also, the forecast for **resource-intensive countries** was revised upward with an **increase of 1.2 percentage points**. While, the forecast of **non-resource-intensive and oil exporters countries** has been revised downward, by respectively 0.7 and 0.1 percentage points. This is mostly due to the **political troubles (Sahel conflict, political transition, civil unrest)** in western, central, and east Africa regions. But mostly due to the **hike of the commodity and food prices**, with an **average food inflation from 2% in 2019 to 11% in 2021**.

IMPACT ON OUR ACTIVITIES:

- ➔ **Keeping investments going:** although conducting due diligence processes throughout the crisis has proved challenging, this hasn't slowed down IPAE 2 investments: 8 new investments were finalized in 2021, followed by 3 additional deals in Q1 2022. A few exits have also been finalized both on IPAE 1 and IPAE 2 (Africon).
- ➔ **Continued support to SMEs:** throughout the covid crisis, the IPAE 2 team has tried to tailor its support to the needs of partner companies, be it in terms of exploring funding opportunities to adjust the business model, or in terms of improving Business Continuity procedures through technical assistance for example. That support extends to companies which were already in difficulty before the start of the crisis.
- ➔ **Job preservation:** in two years of crisis, the number of employees within companies that were already in portfolio since 2019 has remained relatively stable, with slightly positive growth: 830 jobs in 2019 vs 868 jobs in 2020 vs 875 jobs in 2021.
- ➔ **Back to the new normal:** companies have pared back on remote working, whilst trying to maintain barrier gestures, and some even organized vaccination campaigns. The year was also marked by the easing of border restrictions and resuming of travel.

FOCUS ON 2 INVESTEEES

Rensource, Nigeria

Rensource has been significantly impacted by the crisis (*78% drop in turnover, 10% decrease in job growth*), as the company couldn't cater to all the markets that have been closed during the lockdown in Nigeria. The business is pivoting its model to focus more on commercial and industrial clients.



AMI, Kenya



Although some large existing contracts have been redesigned or suspended by clients in 2020, AMI managed to provide a rapid response in terms of protecting staff well-being, shifting programming completely online, and identifying new opportunities. The company has surpassed its profitability targets (*44% increase in revenue, EBITDA positive*).



01. Impact thesis and methodology

02. Impact management in 2021

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Strengthening local economic fabric through indirect impacts

Enhancing outreach & impact with advocacy

Mission

Our commitments to the development and growth of African economies

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

As documented in this report, formal SMEs pay taxes, which contribute to social expenditures and the provision of public services, which in turn strengthens 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 2 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 IPAE1 supports. IPAE1 SMEs also help shape the financial sector through their relationships with banks and their shareholders. Through their boards and management, a new form of governance is being introduced into the African economy. The ESG support that IPAE1 provides to our partner companies helps maximize this whole range of impacts, which include benefits such as employer-provided/subsidized health care for employees and their families.

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

Additionality and sustainability are key concepts for IPAE 2. 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 1 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.

Private equity: a new solution for Africa SMEs

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

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

Investing in sub-Saharan Africa

A dynamic yet challenging region

COVID19 crisis and its consequences

- African countries have been hard hit by the COVID-19 pandemic, with activity in the region shrinking by an estimated **3.7%** in 2020 (World Bank).
- The hardest hit countries were those with **large domestic outbreaks**, those heavily **dependent on travel and tourism**. As well as **commodity exporters**, particularly of oil.
- There was also an increase of government debt to **70%** of GDP in 2020. As economic activity and government revenues sharply fell while pandemic related spending rose appreciably.

Economic recovery ahead

- **Growth has been revised upward to reach a level of 3.7 in 2021**, which is 0.1 percentage points higher than previously projected.
- The enactment of the **African Continental Free Trade Area (AfCFTA)** is the larger free trade area in the world, with a market of 1.2 billion of customers for a GDP around \$2500 billion. By 2035 the total export volume could increase by 29%, with an increase of intra-continental exportation of 81%, creating new opportunities for African manufacturers and employees, and bringing 30 million people out of extreme poverty (WB).

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 economic 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 21% of SMEs cite access to finance as the major factor limiting their growth (WBES, 2019).
- **Africa is particularly vulnerable to climate change** because it is exposed to damaging climate risks including extreme droughts, flooding and storms. The continent also has low adaptive capacity making it particularly vulnerable.

In such a context, I&P capitalizes on its knowledge in the field and on its 20 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.

IPAE 2' focus on Least Developed and fragile states

One of IPAE2's impact objectives is **to have 70% or more of its investments operating in Least Developed Countries or Fragile Countries**. These designations are established by the United Nations and the World Bank, respectively.

Impact thesis

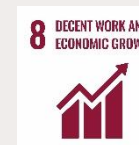
IPAE2, a mission-driven fund

The fund's impact thesis:

Promote local entrepreneurship to foster inclusive growth and stability in Africa



I&P's main contribution to the SDGs



Implementing an impact management system

Pursuit of impact objectives supported by robust ESG analysis

What does ESG mean?

Environmental, social and governance (ESG) criteria are a set of standards at the basis of extra-financial analysis, which aim at assessing non-financial issues in order to get the best out of corporate governance.

- **Environmental** criteria take into account a company's environmental impact and its management performance.
- **Social** criteria examine how a company manages relationships with employees, suppliers, customers, and the communities it affects.
- **Governance** deals with a company's leadership, executive pay, audits, internal controls, and shareholder rights.

From ESG to impact

Risk Management

IFC's ESG Standards comprise the Performance Standards, which define clients' responsibilities for managing their environmental and social risks, and the Corporate Governance Methodology, which sets out an approach to evaluate and improve the corporate governance of clients.

Value creation for the investee company

Identifying extra-financial opportunities and promoting actions creating combined societal and economic value.

Development impact

Enhancing positive impact to achieve broader development outcomes.



Beyond the mission, the measure (1)

IPAE's measurable impact targets

Rationale

We seek to maximize impacts through proactive management of the portfolio, based on **measurable targets**, aggregated at the portfolio level. The fund's final impact performance will be assessed against these key impact targets, which would be fully achieved in a **best-case scenario**.

The **impact performance is reflected in the fund's incentive structure**. This structure is expected to reward the team to the extent to which impact targets are met (or not).

If the financial hurdle rate is achieved ($IRR > 5\%$), the carried interest percentage for the investment manager (within a range of 10% to 17%) will be adapted according to the achievement of the key impact targets presented below.

Key impact targets

● Developing responsible African entrepreneurship, including in Most Fragile Countries

1. **70%** (or more) of companies owned or led by leaders rooted in Africa over the long term
2. **70%** (or more) of companies operating in Least Developed Countries or Fragile Countries

Only **14%** of impact investing in Africa is allocated to LDCs or Fragile Countries (GIIN, 2015, 2016)

● Creating decent jobs & training opportunities

3. **50%** (or more) direct employment growth during the holding period (at the portfolio level), provided that jobs created have decent conditions
4. **50%** (or more) of companies improving health and safety in the workplace or social protection for employees during the holding period

+15% of employment growth in Private Equity- backed companies in Africa over the investment period (AVCA, 2016)

Beyond the mission, the measure (2)

IPAE's measurable impact targets

Key impact targets (continued)

● Promoting women entrepreneurs and managers

5. **35%** (or more) of companies owned or led by a woman or with more than 30% of women in senior leadership positions

● Meeting unsatisfied demand for goods and services and contributing to the new SDGs

6. **50%** (or more) of companies providing local goods or services that address essential needs and the new United Nations SDGs

● Fostering environmentally friendly development

7. **50%** (or more) of companies implementing “green” projects (renewable energy, energy efficiency, CO2 capture or offset, waste or effluent management, sustainable agro-business, etc.)

Only **7%** of African SMEs registered in WBES 2019 were owned or led by women (WBES, 2019).

Calculation of the extra carry

The **final carry will be comprised of between 10% and 17%** for the fund manager, depending on the level of achievement of key impact targets, as presented below. To ensure impact data reliability, impact figures will be audited two or three times in the fund's life.



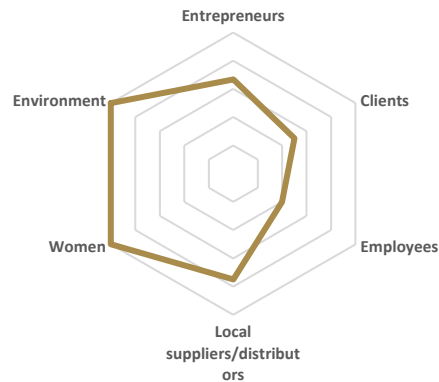
Impact management – Pre-investment

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 and to identify ways to improve overall impact:

- on **local entrepreneurship** (entrepreneur nationality and location, additionality of the investment, etc.)
- on **women empowerment**
- on **employees** (creation of decent jobs)
- on **clients** (meeting of local and essential needs)
- on **local suppliers and distributors**
- on the **environment**



Sample Impact Screening Scorecard

Conducting ESG risk due diligence

In-depth analysis of the following ESG risks based on IFC Performance Standards:

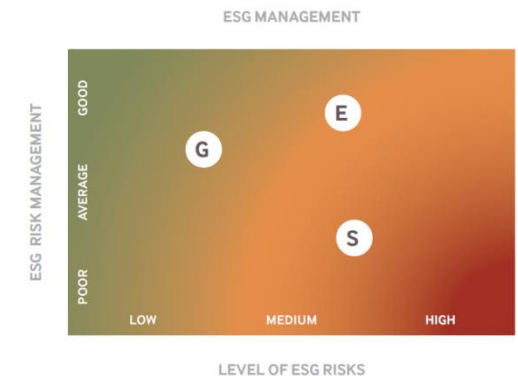
- **Social considerations** including, but not limited to, working conditions and human resources management, occupational health and safety and impact on local communities
- Environmental considerations, such as water and waste management, carbon footprint and energy efficiency, impact on biodiversity,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

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) thanks to extra-financial diligence criteria that allow risk identification and management evaluation.

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

Sample ESG risk categorization matrix →



Impact management – Post-investment

Impact and ESG monitoring during investment and exit

Implementing ESG action plans to generate economic and societal performance

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

Ensuring good impact management after exit

- I&P selects buyers who will 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) and in legal documentation

Measuring ESG & impact results annually



Annual Collection & Analysis of Impact Indicators

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

ENTREPRENEURS

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

SUBCONTRACTORS

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

EMPLOYEES

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

CLIENTS

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



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

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

Impact management – 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 2020 report to the PRI. Evaluation is underway for 2021.
- 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 29★ (out of a maximum 30★)

Band A+ (median score of all respondents: A)

- Very good assessment, placing I&P among the top performers of its category
- To achieve the best score (30/30), increased disclosure of ESG commitments and third-party verification of the PRI annual report

Module PRIVATE EQUITY

TOTAL SCORE 28★ (out of a maximum 30★)

Band A (median score of all respondents: A)

- Very good assessment both for pre-investment processes (initial screening, due diligence) and post-investment processes.
- Improvement potential: more formal sustainability policies within partner companies

Module DIRECT – INCLUSIVE FINANCE

TOTAL SCORE 34★ (out of a maximum 36★)

Band A (median score of all respondents: A)

- Improvement (from B to A) since 2014
- As a result of an increased focus on client protection principles and social performance management

Extra-financial committee

Independent members who push us to excel in our efforts

The **Extra-financial committee** is composed of independent members and is consulted at least annually (the last meeting was held on June 13, 2022). Members have helped us greatly to evolve and improve our annual reports with their thoughts and comments.

The committee's roles and responsibilities include:

- Reviewing the extra-financial policy and specific goals
- Reviewing the fund's annual ESG and Impact report Discussing the ESG action plans of our partner companies
- Verifying our alignment with IFC Operating Principles for Impact Management



Natou BAMBA COLON
Founder and CEO,
ICG consulting



Michel JACQUIER
Former Deputy CEO of the
French Development Agency



Mariam DJIBO
Executive Director,
Advans (Côte d'Ivoire)



Swaady MARTIN,
Founder and CEO,
Yswara

FOCUS: I&P AMONG THE EARLY ADOPTERS OF IFC'S OPERATING PRINCIPLES FOR IMPACT MANAGEMENT

The **Operating Principles for Impact Management** provide a framework for investors to ensure that **impact considerations are integrated throughout an investment lifecycle**. It is a market standard designed to bring greater transparency, credibility, and discipline to the impact investment market. The Impact Principles were developed by IFC in collaboration with private and public sector asset owners and asset managers.

I&P is among the early adopters of the Principles. Our disclosure statement has been reviewed by the members of the **Extra-Financial** committee to confirm the compliance of the impact management system described in I&P's policies and procedures in regard to the Principles.



**Operating Principles for
Impact Management**

Discover our
disclosure statement



Xpress Gas © Michael Dakwa

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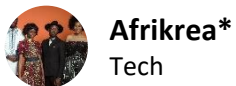
2022 IPAE 2 portfolio overview

18 investments, 7 different sectors

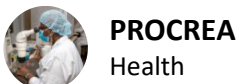
Burkina Faso



Ivory coast



Cameroon



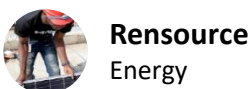
Ghana



Madagascar



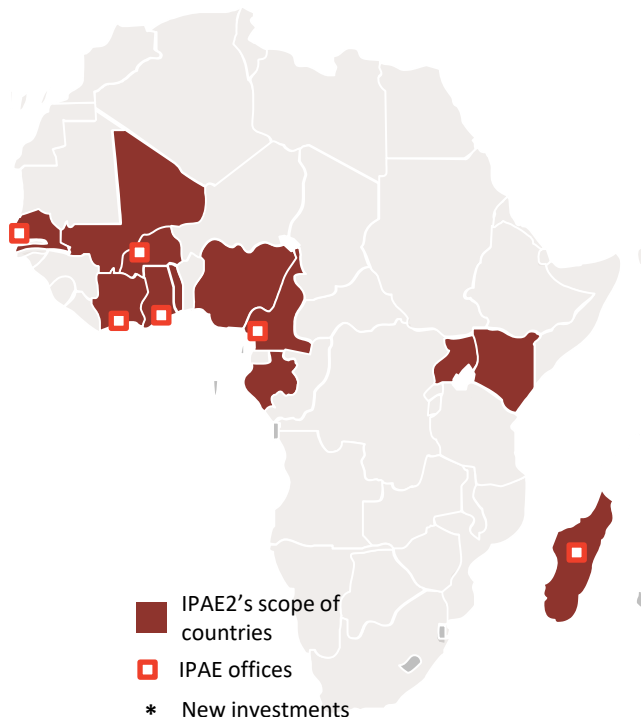
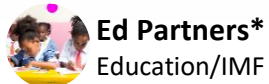
Nigeria



Kenya



Senegal



Pan African



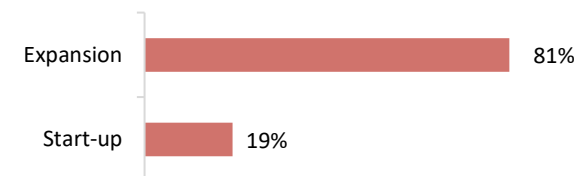
61% of funds committed in Least Developed and/or Fragile Countries¹

Size of portfolio companies



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

Maturity



¹As defined by the United Nations and the World Bank

Note: The percentages in each category are calculated according to the level of IPAE 2's financial commitment in each company.

Impact-oriented portfolio management

IPAE2's progress

An **assessment of IPAE2's performance on key impact objectives** was conducted and show that we are very well on track to achieve most of our impact objectives. Noteworthy, some of the objectives are dynamics and will evolve and progress with the implementation of action plans in companies. Employment growth, for example, is still relatively low while projects are being implemented and scaling up takes place but should continue to improve each year. This is particularly true of the objectives 4, 5 and 7 that will be measured by an impact auditor only on the Final Impact Determination Date. Despite this, some information are given below and in the next slides of this report to give an idea of the current performance and trends.

Key impact objectives	Nb	Indicator	Target	2021 progress
Developing responsible African entrepreneurship	1	Percentage of companies owned or led by leaders rooted-in Africa on the long term	70% or more	82%
	2	Percentage of companies operating in Least Developed Countries or Fragile Countries	70% or more	61%
Promoting women entrepreneurs and managers	3	Percentage of companies owned or led by a woman or with more than 30% of women among senior leadership positions	35% or more	59%
Creating decent jobs	4	Percentage of direct employment growth during the holding period and aggregated at the portfolio level, provided that jobs created have decent conditions	50% or more	+15% See page 27
	5	Percentage of companies improving health and safety in the workplace or social protection for employees during the holding period	50% or more	59% See page 31
Meeting local demand for essential goods and services	6	Percentage of companies providing local goods or services that address essential needs and the new UN Sustainable Development Goals (target: 50% or more)	50% or more	59%
Environmentally friendly development	7	Percentage of companies implementing “green” projects	50% or more	n/a



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Supporting responsible entrepreneurship

IPAE 2 pursues two impact objectives regarding the companies in portfolio:

- 70% (or more) of companies should be owned or led by leaders rooted-in Africa on the long term
- 70% (or more) of companies should be operating in Least Developed Countries or Fragile Countries

A great majority of IPA 2 entrepreneurs and managers with local roots in 2021

82% of entrepreneurs in our portfolio are **rooted in Africa over the long term**

Many operating in the poorest and most fragile countries in 2021

61% of our partner entrepreneurs operating in **Least Developed Countries** or Fragile Countries*

**As per the December 2018 UNDCP list of Least Developed Countries and the WB list of fragile and conflict-affected Nations.*

FOCUS ON AFRIKREA

Since its creation in 2016, the online platform Afrikrea has been promoting African-inspired fashion and crafts (clothing, accessories, decoration, etc.). Afrikrea offers customers the chance to buy African creations online under the best conditions. However the originality and added value of its approach lies above all in the support and the provision of sales management tools to designers.

Afrikrea is led by a team of 4 promoters: Moulaye Tabouré (CEO), Kadry Diallo (CMO), Luc Perussault Diallo (CTO) and Guillaume Darnaudet (CFO), all with complementary profiles in auditing, IT, project management and finance.

Having grown up in Bamako (Mali) before moving to France for their studies, co-founders Moulaye Tabouré and Kadry Diallo realized that African handmade products were as rare as highly prized and valuable.



Fostering good governance

Supporting entrepreneurship through better governance

1- Implementation of a shared governance

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.

76% of Boards include at least one independent director



3 board meetings held in 2021 on average in each partner company

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.

2- Upgrading of accounting and reporting practices

Our context: IPAE2 invests in fast growing companies, which have an urgent need to strengthen their internal capacities to achieve sustainable growth.

Our actions:

- **Audited accounts:** we require that annual accounts be audited by statutory auditors to ensure reliable accounting practices.
- **Training seminars:** in 2018 and 2019, entrepreneur training seminars focused on financial management and change management in SMEs.
- **Technical assistance:** customized assistance is provided to several partner companies.

3 – 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.

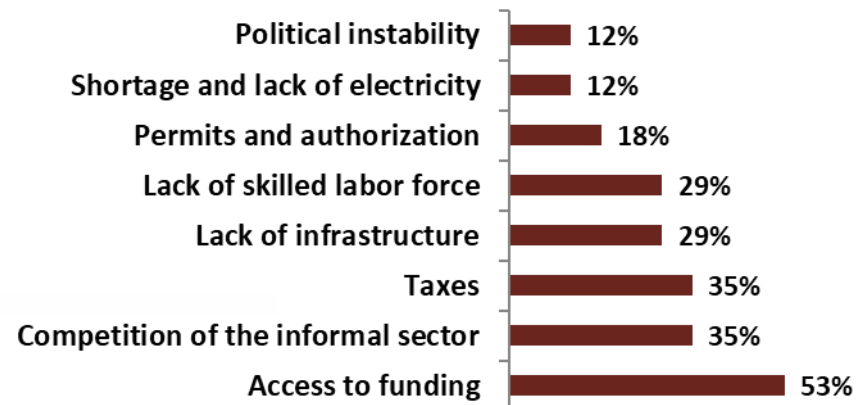
Supporting entrepreneurship underserved by traditional financing

Strong additionality of IPAE 2's investment

76% of companies would have had to carry out their investment project at a smaller scale without IPAE2's funding.

According to the World Bank Enterprise Surveys, access to finance is one of the 5 main obstacles faced by companies. In fact, it ranked first among our partner companies.

Main obstacles faced by our investee companies during their development process



Leverage effect of IPAE's investment

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

We assist our entrepreneurs in their **negotiations with other local or international financial institutions** or by participating in the search for new shareholders, using our networks

$$\begin{array}{ccccc}
 \text{€1} & & \text{€0.9} & & \text{€1.9} \\
 \text{IPAE2} & + & \text{Other} & = & \text{Invested in} \\
 & & \text{investors*} & & \text{total}
 \end{array}$$

(*) 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).




SDG 17.3


Mobilize additional financial resources

Support from the technical assistance program


IPAE 2 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, IPAE2’s technical assistance (TA) program is critical to fostering capacity building, skills transfer and training in partner companies.** This assistance is complementary to IPAE 2’s general strategic and management mentoring. **The TA program is based on grants from IFC (€655k), EIB (€1.05M), FISEA (€250k) and DGGF (€700k). It co-finances a great variety of support missions carried out by independent specialists.**



33 missions have been conducted and 9 are still in progress.



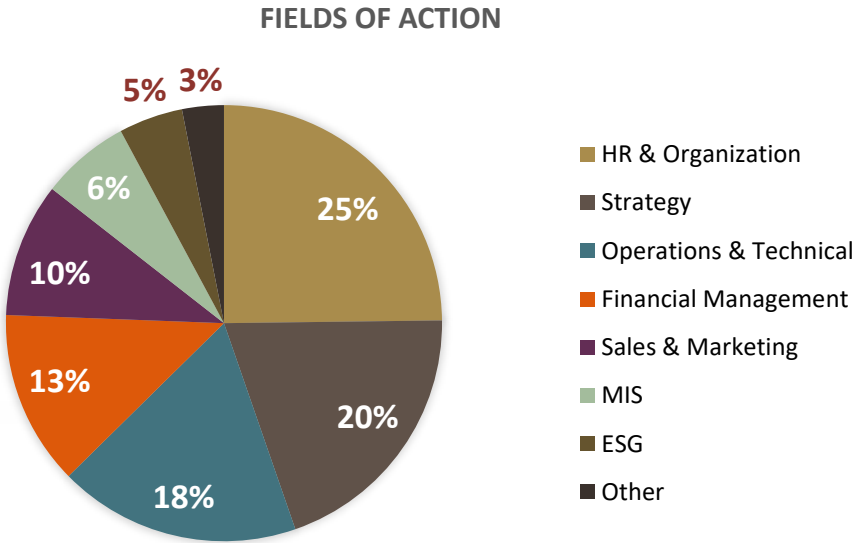
1 687 days have been dedicated to TA missions.



A total budget of **€504K** financed by IFC (€153 k), EIB (€86k), FISEA (€33 k), DGGF (€125 k) and investee companies (€107 k).



29 different experts, **59%** of them African, have been committed to TA missions.



EXAMPLE OF A MISSION: SOAFIARY

Company description: A family agri-business specialized in the collection, processing, sale and export of dry grains (corn, rice) and legumes (beans, lentils, soybeans, etc.).

Type of TA: Post-investment: Strengthening of quality and food safety management to meet the standards of two major clients.

Assessment and results:

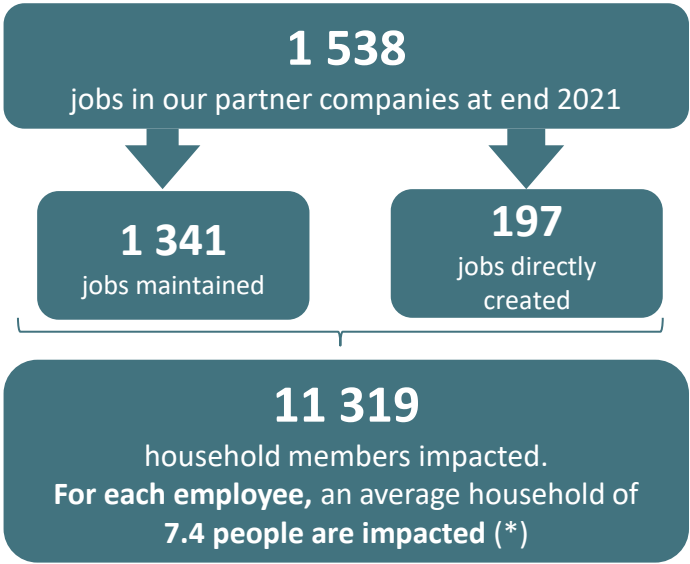
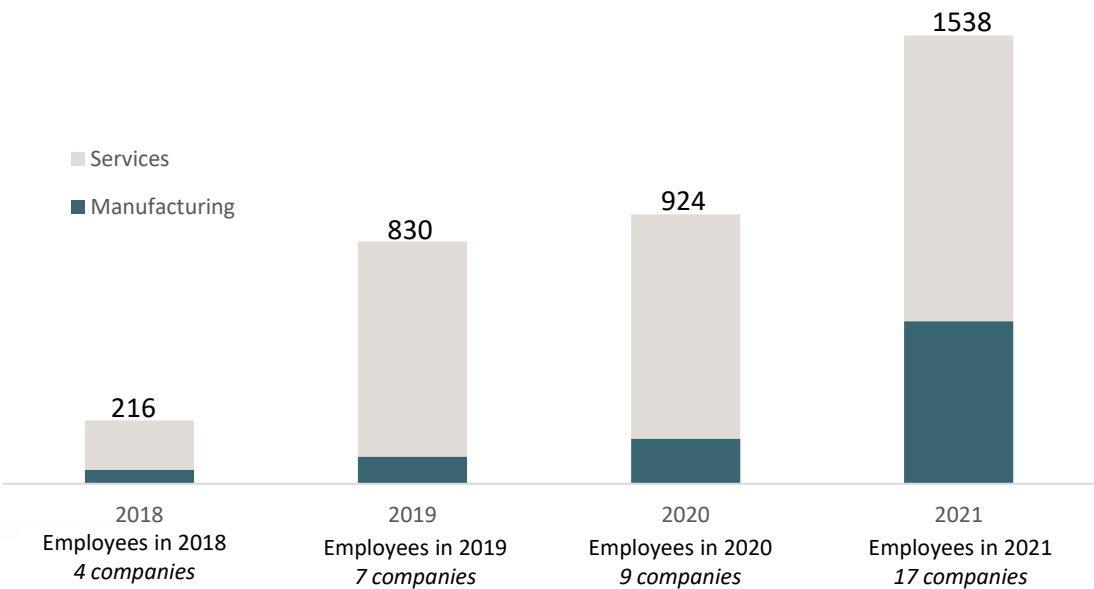
- The mission helped **put in place the HACCP system**, define **clear quality and food safety policies** and provide **audit training** to the QA team.
- **Strengthening of good hygiene practices** through sensitization of employees. Advice on **necessary equipment and chemical tests** to be carried out internally.

Creating decent jobs

IPAE 2 pursues 2 impact objectives regarding job creation:

- 50% (or more) of direct employment growth during the holding period and aggregated at the portfolio level, provided that jobs created have decent conditions.
- 50% (or more) of companies improving health and safety in the workplace (beyond compliance with IFC standards) or social protections for employees during the holding period.

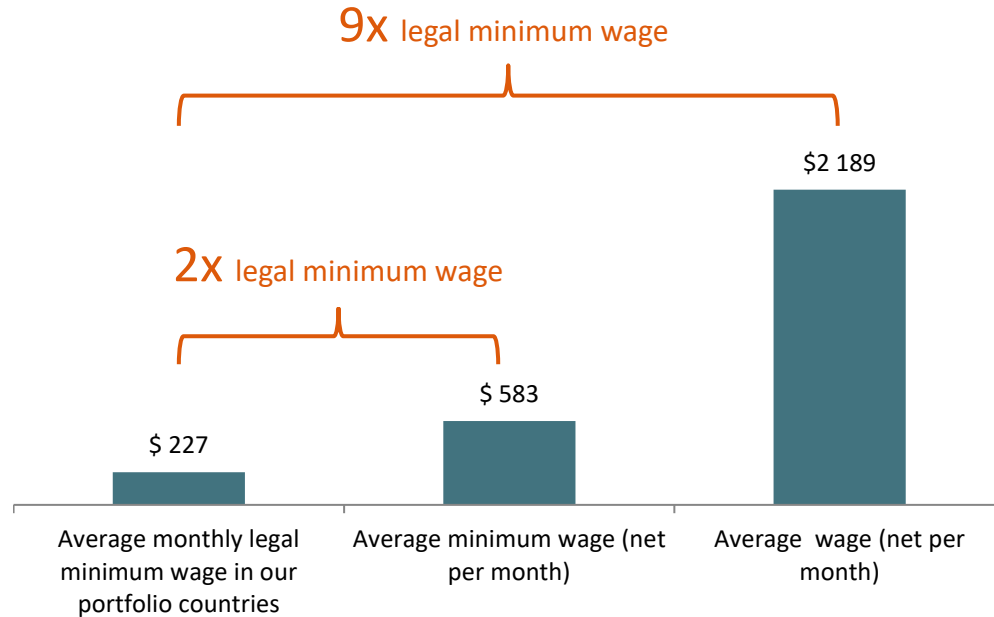
To date, our portfolio has achieved 15% growth in employment. The year 2021 has obviously been strongly marked by the Covid crisis. While on the whole the covid crisis did not lead to a decline in employment, it did significantly slow down the dynamics of job creation. Only four companies experiencing a slight decline in employment numbers in 2021. On a like-for-like basis, companies already in the portfolio has remained relatively stable (927 jobs in 2021 vs. 924 jobs in 2020).



(*) 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/hhsiz/>

Wages level

Average minimum wage as high than the legal minimum wage



Reasoning in terms of averages could mask a number of disparities. If we look more precisely at the distribution of salaries in our companies, the level of remuneration is considered very satisfactory. All our partner companies have a minimum wage higher than the monthly legal minimum wage in their country and **76% of companies have a minimum wage 50% higher than the monthly legal minimum wage in their country**. It is noteworthy that despite the Covid crisis, we have not seen a decrease in compensation.

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.

ABOUT A DECENT WAGE IN AFRICA

A decent wage is the remuneration allowing a worker to afford a decent standard of living for the worker and its family. Elements of a decent standard of living include food, water, housing, education, health care, transportation, clothing, and other essential needs including provision for unexpected events.

While the general idea is accepted, its measurement is more difficult and several methodologies are in conflict. The Global Living Wage Coalition provides living wage estimates for different African countries, based on Anker's methodology which starts from food prices and housing costs to establish a living wage. Through these different estimates, we can quickly see that **minimum wages are often far from living wage levels in Africa**.

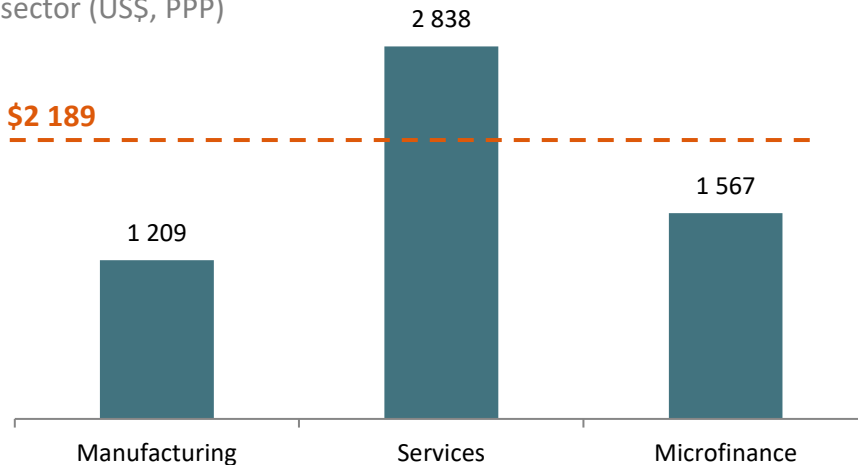
In Burkina Faso and Madagascar, **the living wage in rural areas is more than twice the legal minimum wage in force** in the country (Global Living Wage Coalition, 2020).

Aware of the limits and weaknesses of minimum wages in African countries, I&P is initiating reflections to move forward on the calculation of this living wage within our different countries of intervention in order to progress in the decent work agenda.

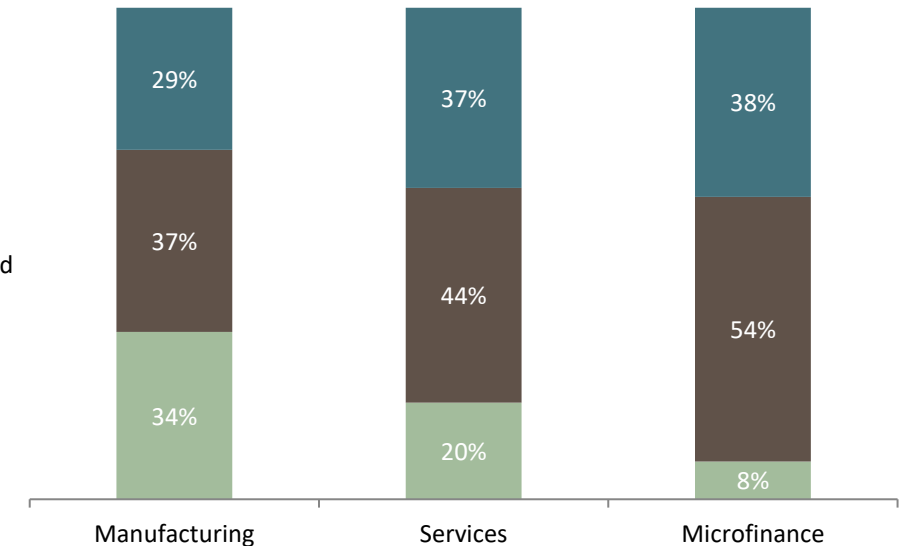
Qualifications and wages level

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

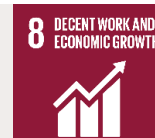
Average = \$2 189



High skilled
Middle skilled
Low skilled



- The average level of remuneration mentioned in the previous slide may appear relatively high, but must be assessed taking into account the level of qualification of employees. **75% of employees are middle or highly-skilled.** The high-proportion of middle and highly-skilled employees can be explained by the fact that IPAE2 companies are mostly service companies.
- **Wages are higher in the services sector.** This can be partially explained by the high proportion of skilled jobs in these sectors, for instance, in the IT or education and health sectors.
- **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.

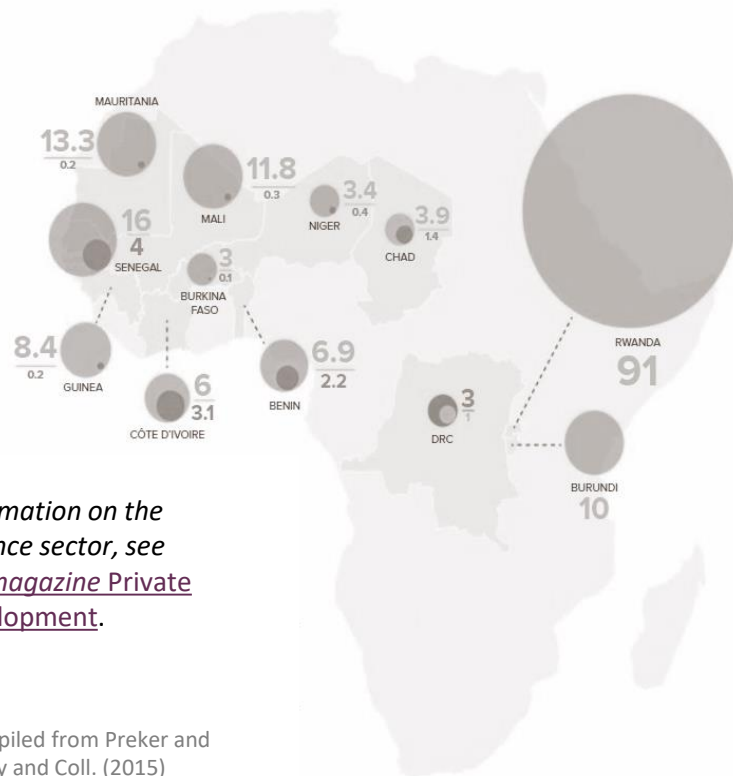


SDG 8.5
Decent work for all

Health insurance & social protection

Current performance of partner companies

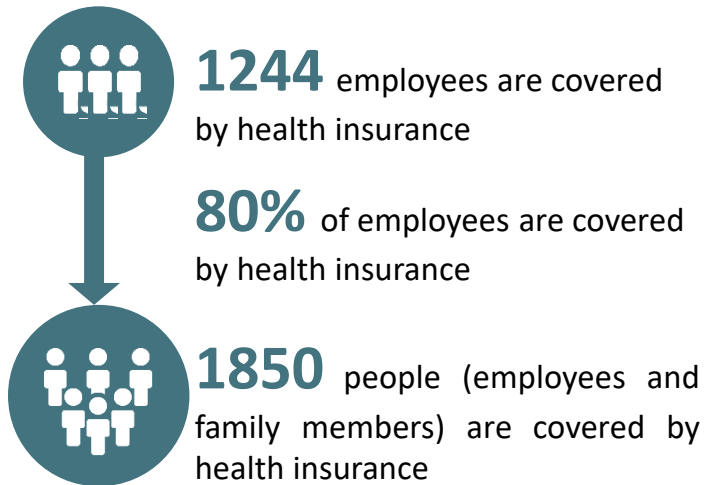
Context: As shown below, the **number of people covered by health insurance in Africa remains extremely low, ranging from 3% to 20% in West Africa.**



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

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

Current situation in IPAE 2 companies



FOCUS ON AMI

To select a new health insurance company for their employees, AMI (African Management Institute) asked the team to choose five insurance companies to consider and invited the companies to present their programs to the team. Thereafter, the team came together and chose one finalist, Minet AON. AMI invited the company back for a final presentation and to answer any questions the staff had, after which a contract for health insurance coverage was signed with Minet AON.

MAIN ACTIONS TO DATE

Projects include:

- 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.
- **ICONA** (Agribusiness company in Burkina Faso) : with the creation of the new legal company, all employees have been formalized, therefore, 14 employees now have access to public social protections.

Health & safety at work

Reaching SDGs and promoting good practices inside our firms



SDG 3.8

Achieve universal health coverage

82% of our companies provide **complementary health insurance** beyond public health programs

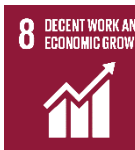


SDG 4.4

Promote lifelong learning opportunities

76% of companies held at least one training in 2021

667 employees trained in 2021



SDG 8.8

Promote safe and secure working environments

59% of our companies have implemented measures to enhance safety at work (formalized processes, employee training, etc.)

Monitoring safety at work

- During the due diligence phase, impact assessments or technical audits are conducted for all projects involving significant risks.
- Any serious incident is directly reported to our investors.
- **In 2021, no major incident occurred.**
- In 2020, a major incident occurred in one of our partner company where a heavy and defective door fell on the guardian. A detailed report was sent to all investors and corrective actions have been implemented.



Environmental friendly development

IPAE 2 pursues one main impact objective regarding the environment: 50% (or more) companies implementing green projects

I&P's climate policy

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. This policy will be carried out at two levels:

At I&P: in line with our B-Corp certification, we have implemented several actions to **reduce our carbon footprint** at our headquarters (green electricity supplier, offsetting of carbon emissions, implementation of more extensive waste sorting, reduction of plastic packaging for lunch, etc.)

In our partner companies: **environmental risks** are systematically analyzed. As explained in our impact monitoring methodology, an environmental impact objective has been set in our Extra Carry, etc.



Reducing the portfolio's 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 separating investees' economic growth from their carbon growth.

OUR ACTIONS:

- We assess the portfolio's carbon emissions on a yearly basis to identify the main sources of reduction or offset.
- We try to implement specific actions to promote energy efficiency and renewable energy.



Managing waste and effluent issues

Environmental impact assessments conducted by external experts include specifications about waste and effluent management that are routinely added to ESG action plans. During the due diligence phase, we assess whether the prospective company generates dangerous waste that requires specific treatment.

FOCUS ON NEW CRYSTAL

In addition to its pre-existing waste removal process, and as part of the upgrade and expansion of the new clinics, the company will look to design and install a waste water treatment plant, in compliance with IFC guidelines and local regulations.

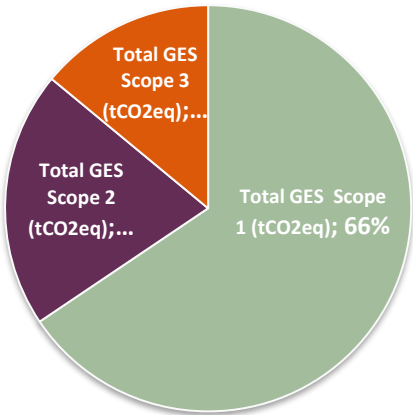
Carbon footprint (1)

Portfolio carbon emissions by scope and category

2021 GHG emissions, by scope

TOTAL: 4 522 tCO2eq

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

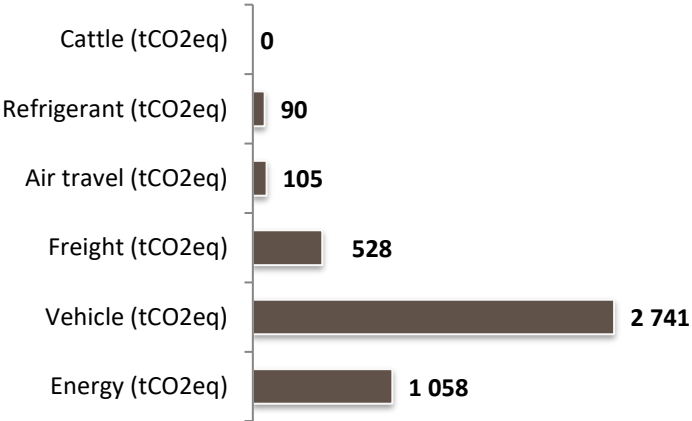


Scope 1: Emissions due to the company’s direct business activities

Scope 2: Indirect GHG emissions from consumption of purchased electricity, heat or steam

Scope 3: Other indirect emissions (production of purchased materials and fuels, transport-related activities in vehicles not owned by the company, outsourced activities, etc.)

2021 GHG emissions by category



Largest sources of emissions



12% from freight: A large majority from Afribon and Soafiary.



23% from energy: A large majority coming from Zeepay and New Crystal.

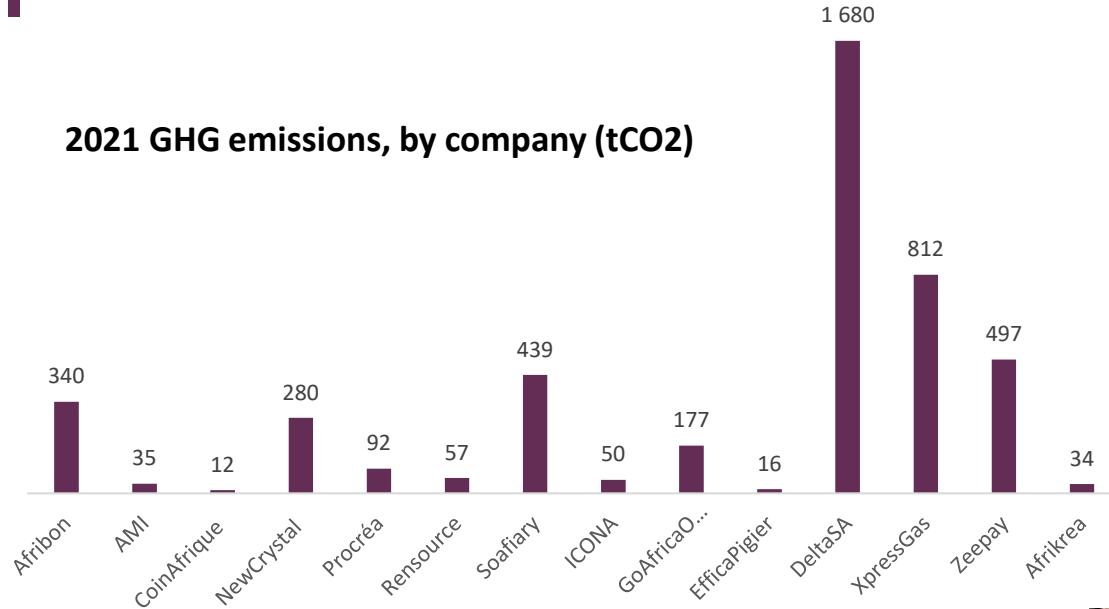


61% from vehicles: A large majority coming from Delta SA and Xpress Gas whose activities rely on frequent truck movements to carry out sanitation work or gas supply.

Carbon footprint (2)

Portfolio carbon emissions

2021 GHG emissions, by company (tCO2)



It should be noted that Delta SA, whose emissions are mainly linked to the consumption of petrol by the trucks, contributes positively to the environment thanks to the treatment of sludge and wastewater. The sanitation activity has a significant positive environmental impact that is difficult to quantify and is not reflected in these data. In addition, Delta SA is involved in an initiative to recycle this waste into electricity and fertilizer for farmers.

FOCUS ON RENSOURCE

787tCO2

CO2 emissions
saved in 2021

8 834

Number of
clients in 2021

335 491

liters of fuel
saved in 2021

Rensource is a Nigerian company which provides clean, reliable and affordable off-grid energy to West-African SMEs. Rensource is currently the leading provider of solar-based energy in Nigeria.

Rensource aims at supporting African SMEs in their growth by helping them to reduce their carbon footprint and providing them affordable access to electricity.



Rensource's high level of carbon emissions can be explained by the large number of intra-Nigerian flights the company is required to make in order to meet with their SME networks, far from the capital, and to implement off-grid solutions.

Promoting women empowerment

34% of women employees

IPAE 2 pursues one main impact objective regarding gender equality: 50% (or more) companies owned or led by a woman or with more than 30% of women among senior leadership positions

59% of IPAE2’s portfolio companies are led by a woman entrepreneur or with more than 30% women among senior leadership positions, above our target.

5

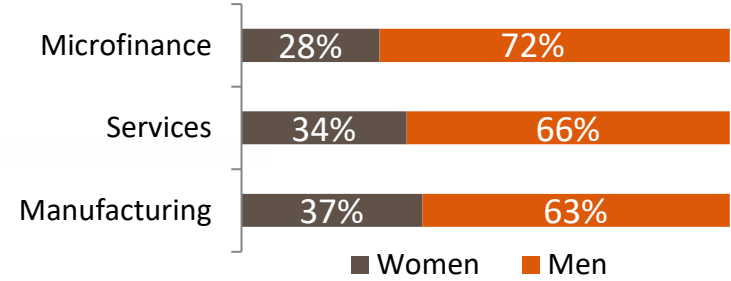
GENDER EQUALITY

SDG 5.5

Ensure women’s full participation in leadership

Women among employees

2021 IPAE2 Portfolio - Gender Performance



Women in management

ENTREPRENEURS

7%
of CEOs in Africa*

30%
women-owned
or led companies (IPAE2)

TOP
MANAGEMENT

23%
of executive committee
members in Africa*

34%
of senior leadership
positions (IPAE2)

Women among our companies’ clients

I&P’s gender policy also implies that its portfolio includes firms that are directly responding to gender issues in Africa by:

Offering **services or goods completely dedicated to women** (Procréa)

8 083
gynecological consultations

Setting up **products especially dedicated to women** (AMI)

2 642
women trained in 2021

| Our advocacy for gender equality

Main areas of action

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

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

I&P 2021 Gender Performance

51% of women
employees at I&P

FOCUS: 2X CHALLENGE



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 [Read more about the 2x Challenge by clicking here.](#)

76% of IPAE2's portfolio companies satisfy at least one of the 2X Challenge criteria.

47% of those companies satisfy at least two criteria.

Addressing basic needs in Africa

IPAE 2 pursues one main impact objectives regarding clients and local communities: 50% (or more) companies improving local access to goods or services addressing essential needs and the new UN Sustainable Development Goals

94% of our current partner companies **address the needs of the African population or African companies** (i.e., these companies focus mainly on the local market and not on exports)

82% of our current partner companies improve local access to goods or services that **address essential needs and the UN Sustainable Development Goals***

() 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.*



The role of I&P in achieving the SDGs goal in Africa

Responding to the main development challenges in Sub-Saharan Africa is at the heart of I&P’s mission.

Inside our impact strategy, the pillar “access to essential goods and services” is taken into account in our impact scorecard. We refer to the framework established by the United Nations to select our investments. Companies that meet criteria get a higher impact rating in our pre-investment analysis.

Through these commitments, our partner companies are largely contributing to the achievement of the Sustainable Development Goals.

FOCUS: What are the new UN Sustainable Development goals ?

The Sustainable Development Goals (SDGs), also known as the Global Goals, are a **global call to action to eradicate poverty, protect the planet, and ensure that all people live in peace and prosperity**. The UNDP is in charge of helping countries to reach the 17 SDGs and of assessing improvement around the world.

Africa is still the continent the farthest behind in achieving the SDGs :

- Of all regions, sub-Saharan Africa has the **highest rates of education exclusion**. Almost 60% of youth between the ages of about 15 and 17 are not in school.
- Only **48%** of the African population have access to electricity. Moreover, **47%** of African SMEs registered considered the lack of electricity as a major obstacle (World Bank Enterprise Survey, 2019)
- In 2019, more than **38%** of people living in extreme poverty were located in Africa.

Addressing basic needs in Africa

2

ZERO HUNGER



GOAL 2: Achieve food security and improved nutrition

ICONA : Feeding the Burkinabe's livestock

I-Procure is a technology enabled logistics and a distributor of agri-inputs in Kenya



6,067 tons
of aliments sold



749,201 smallholders farmers
indirectly reached in
2021 by I-Procure

3

GOOD HEALTH AND WELL-BEING



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

Procréa: Quality healthcare for women and children

New Crystal: Quality healthcare with a focus on the urban poor



8 083
gynecological
consultations in 2021



194,103
patients in 2021

4

QUALITY EDUCATION



GOAL 4: Ensure inclusive and quality education

AMI: provides formalized training to empower managers and entrepreneurs

Pigier Cameroun: private business school for higher education

EdPartners: provides adapted financial solutions to the education sector in East Africa



6 133 people
trained in 2021

99 educational
institutions received a
loan in 2021

6

CLEAN WATER AND SANITATION



GOAL 6: Clean Water and Sanitation

Delta S.A.: sanitation and public works services in Senegal

75,773m³ of waste material processed in 2021

7

AFFORDABLE AND CLEAN ENERGY



GOAL 7: Affordable and clean energy

Rensource: Providing affordable and reliable electricity to SMEs in Nigeria

HERi Madagascar : distribution and financing of solar energy solutions in rural areas of Madagascar



8,834 clients
in Nigeria for
Rensource

21,760 solar kits
sold by HERi
Madagascar in 2021

8

DECENT WORK AND ECONOMIC GROWTH



GOAL 8: Support productive activities and entrepreneurship

Coin Afrique: A digital peer-to-peer marketplace

Go Africa Online: Professional networking and online directory online business directory

Afrikrea: online marketplace, specializing in African-inspired fashion and crafts.



545,805
offers published in
2021 on Coin
Afrique

12,401
vendors subscribed in
2021 on Afrikrea
platform

Focus on Delta S.A.

Playing a critical role in sanitation and disease prevention

Founded in 2002, DELTA S.A. is a family-owned Senegalese company specializing in sanitation and public works. DELTA provides maintenance of sewerage networks in several areas of the city of Dakar and in the regions of Saint-Louis, Ziguinchor, Kaolack and Tambacounda.

Since 2013, DELTA has also diversified its activities in the construction sector (extension of sewerage networks, building maintenance etc.).

DELTA's intervention include the following:

- Maintenance of wastewater and storm water networks;
- Collection and transport of sewage sludge for households and businesses, cleaning and maintenance of fuel lines (for gas stations) and water bodies;
- Rental of mobile toilets, during public gatherings or on construction sites and military bases.

"Senegal has a 67.4% rate of access to sanitation in urban areas and 42.3% in rural areas," according to the Senegalese Association for Standardization (ASN).

75 773 m³

of waste material processed in 2021

28 new contracts signed in 2021, which are all essential projects to improve the lives of local population

127 full time employees, of which 9% are women

30% of women among top management



SDG 6

Ensure availability and sustainable management of water and sanitation for all



Soafiary © Vonjy Sunset

01. Impact thesis and methodology

02. Impact management in 2021

Portfolio overview

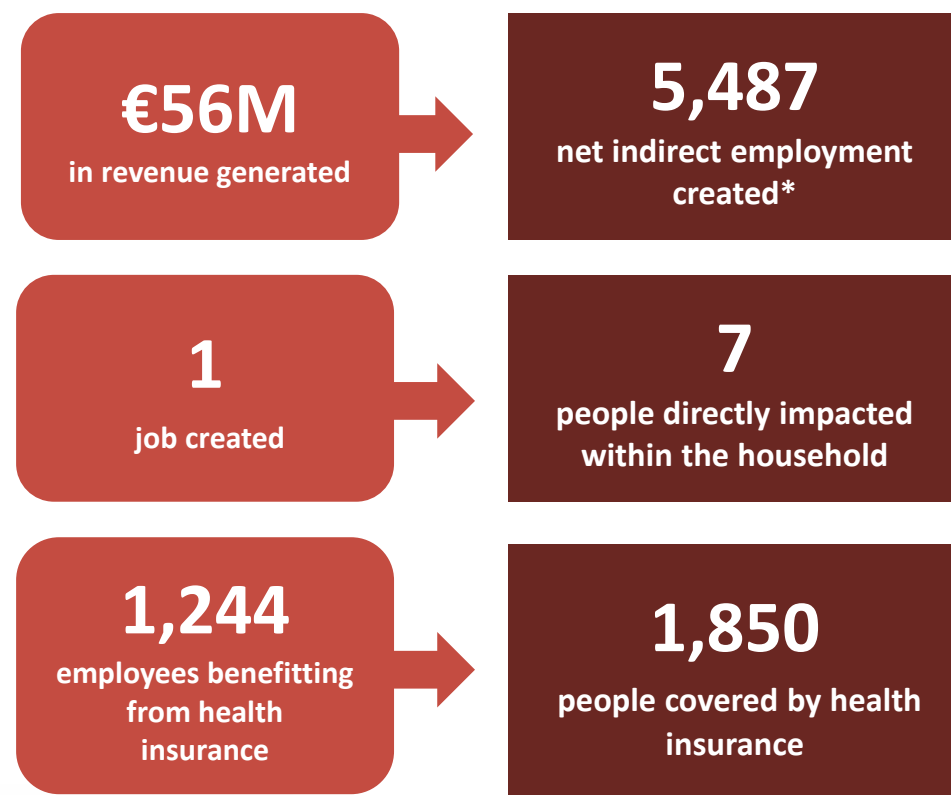
Measuring impacts based on our investment objectives: 2021-2022 performance

Strengthening local economic fabric through indirect impacts

Enhancing outreach & impact with advocacy

Indirect impacts on local stakeholders

I&P's impact mission: I&P impact goes beyond the scope of its partner companies; through investments in African SMEs, I&P also aims at contributing to the economic development of the continent from a larger perspective. Our partner SMEs are indeed taking part in an ongoing dynamic of building and strengthening the fabric of African economies by working mostly with local suppliers and contributing to political stabilization and social redistribution.



How to generate indirect impacts

Impact on local suppliers

I&P impact measures take into account the impact of our portfolio on local supply chains by promoting firms that are deeply rooted in the local economic fabric.

The effects of SME formalization

SME formalization contributes to the growth and strengthening of local firms by enhancing best governance practices and formalizing employees' status and rights.

Contributing to African countries' resource mobilization

Six companies in our portfolio directly contribute to the mobilization of national resources through the payment of taxes.

** Based on the "input-output" methodology developed by Nobel Laureate economist Wassily Leontief, compiled from Purdue University's GTAP international trade analysis data.*

Building resilience and self-reliance in African countries

The COVID crisis has shown the fragility of global value chains and the importance for each continent to have the necessary production capacity to meet the needs of its people. Strengthening exports within African sub-regions and substituting imports with domestic production are at the heart of our mission. We also want African companies to be able to move up the value chain by processing higher value-added goods locally before exporting them.

Exportations

50% of our partner companies **export at the pan-African or international markets.**

- Regional integration and increased trade between African countries are important for the development of the continent and its autonomy.
- International exports also play a positive role in enabling local processing and value addition in order to export higher value-added goods.

Import Substitution

33% of our partner companies have contributed to import **substitution**. Producing locally what people need makes economies more resilient to external shocks



Market shares and indirect impacts on competitors

A powerful indirect impact is that of market share gains. Where does the growth of our companies come from? These gains can come from several sources, which we have grouped into three categories: import substitution, informal sector substitution and a fast-growing local market.

33% of our partner companies **capture part of their market share from import substitution to importing firms**. In addition to having a positive effect on the balance of payments by reducing the outflow of foreign currency needed to acquire foreign imports, this import substitution also makes it possible to strengthen the autonomy and sovereignty of African countries.

94% of IPAE 2 companies **benefit from local market opportunities**. As the needs of local populations are far from being met, our companies are positioning themselves in markets where the needs are immense and have not been satisfied until now.

44% of IPAE 2 SMEs **partly supplant the informal sector in their market segment**. In this case, the creation of jobs and value added generated by our partner companies could be translated into a decrease in informal businesses. The net impact is then difficult to identify from a quantitative point of view. However, this substitution of the informal sector generally allows for important qualitative progress by promoting more stable and better paid jobs with access to social protections.

Ripple effect on local suppliers

SMEs build local networks

17

IPAE 2 SMEs
currently in
portfolio

409

suppliers have
contracted with IPAE 2's
companies in 2021

€4.3M

in intermediate
consumption in
2021

73%

are local
suppliers

Spotlight: GO AFRICA ONLINE

Created in 2012, Go Africa Online (GAO) aims to **support African professionals in their digitalization, their communication and the development of their clientele**, thanks to a range of digital tools allowing a better visibility on the internet.

GAO offers an online business book, referencing packages offering increased visibility on the internet through their promotion on the GAO website, as well as a range of digital marketing tools.

Go Africa Online operates in Togo, Guinea, Ivory Coast and Benin.



Contribution to SME formalization

Ensuring full social and fiscal compliance

Focus on main actions

IPAE2's investment **requires investees' full compliance with labor laws and formalization of their employees**. Our partner companies therefore receive support on these matters when they need it.

63% of the African SMEs registered in WBES 2019 **compete against** the informal sector. They are much more exposed to risk than large African companies.

In August 2018, a study was conducted in Senegal and Madagascar on a group of IPDEV 2 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 of a job contract for employees** (higher wages, better job security, access to bank accounts and access to social benefits, such as a pension plans, health insurance)

[Read the full study on Senegal](#)

[Read the full study on Madagascar](#)

€7,000,000+

paid in taxes to the local authorities in 2021

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).

17 PARTNERSHIPS
FOR THE GOALS



SDG 17.3

Mobilize additional financial resources

Promoting traceability and best E&S standards/practices

Access to new certifications, skills and technologies

On average, SMEs in IPAE 2's portfolio have a larger share of certification than African SMEs surveyed in the World Bank Enterprise Survey (WBES).

33%

Of IPAE 2
companies developing
environmental, social or
quality certifications in 2021



10%

Of African SMEs surveyed in
the World Bank Enterprise
Survey (WBES)

Implementation of internal or regional standards to ensure traceability and good practices

AFRIBON

This Pan African firm specialized in aroma production is certified ISO 22000 on good nutrition and hygiene promotion

NCHS and XpressGas

EPA Permit certifies that the business operates in a responsible manner

PROCREA

This clinic in Ivory Coast is a member of the Inter-African Group for the Study, Research and Application of Fertility (GIRAFE)

DELTA SA

The company is certified ISO 9001:2015 for its quality management system

PROCREA

Health and Safety certification from the Ministry of Labour for workplace inspection



01. Impact thesis and methodology

02. Impact management in 2021

Portfolio overview

Measuring impacts based on our investment objectives: 2021-2022 performance

Strengthening local economic fabric through indirect impacts

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** and to have a multiplier effect on our contribution to Africa's development agenda.



STUDIES & REPORTS

I&P regularly publishes **studies on its areas of expertise** : impact investing, SMEs support, private equity, etc.

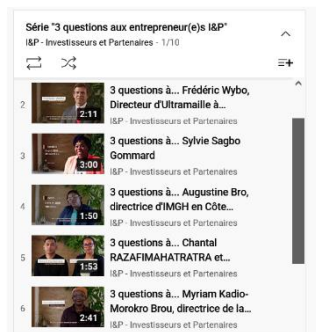
Our **impact reports** provide a comprehensive view of our impact mission and key accomplishments. [Read the 2021 report.](#)



VIDEOS

[I&P's YouTube channel](#) contains numerous reports: interviews, explanations of our activities, etc.

I&P highlights its partner companies through [video reports](#) that looks back on the entrepreneur's journey and the company's key impacts.

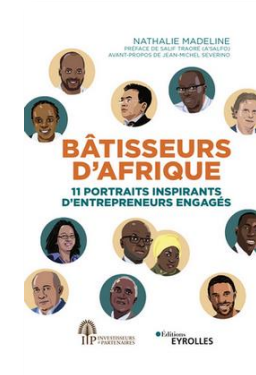


BOOKS

The members of the team also contribute to **advocate the African cause through books** that are published in bookstores.

The book ***Bâtisseurs d'Afrique*** (Builders of Africa), a collaboration between I&P and the author Nathalie Madeline, traces the careers of eleven African entrepreneurs.

[To find out more, click here.](#)



ARTICLES & BLOG

The team regularly shares its experience in impact investing and African entrepreneurship with **media and specialized blogs**. I&P has also launched the ***Entreprenante Afrique*** blog, in partnership with Ferdi.

The ***Entreprenante Afrique*** blog aims to promote the entrepreneurial momentum in sub-Saharan Africa.

[To access the blog, click here.](#)



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**.

Impact investing and philanthropy networks



Networks dedicated to the promotion of entrepreneurship and private equity



Promote entrepreneurial voices in Africa

Focus on the Club Africain des Entrepreneurs

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

- **Promote entrepreneurship in Africa** by shedding light on the activities of the members and promoting this initiative amongst different stakeholders, including youth and women.
- **Foster opportunities** by sparking new types of interactions between members on the local, national, regional and pan-African scales, 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 2021

Exchanges and presentation of activities to partners and ministries during the ceremony organized by Invest for Jobs_GIZ in Abidjan at the Golf Club, Ivory Coast March 2021)

The Club is one of the founding partners, a regular contributor to the editorial committee with I&P and FERDI of the blog "[Entreprenante Afrique](#)",

Grant from GIZ Côte d'Ivoire for the capacity building of SMEs. Training and capacity building of entrepreneurs

Delivery of material and micro-equipment to entrepreneurs
Duration of implementation: 07 months (January to July 2021)



January 2021: Communication to entrepreneurs of the **LeAD Campus** training program, scheduled from May to December 2021.

Training on responsible leadership in Africa provided by HEC in conjunction with African universities and with I&P, Lead Campus partner

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