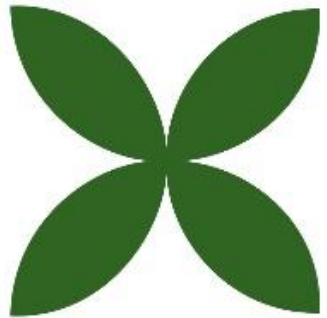




WANGARA GREEN VENTURES
Impact, E&S And Gender Strategy



Wangara
Green
Ventures



Wangara
Green
Ventures

Theory of Change

Impact Strategy

Gender Strategy

E&S Safeguards Strategy

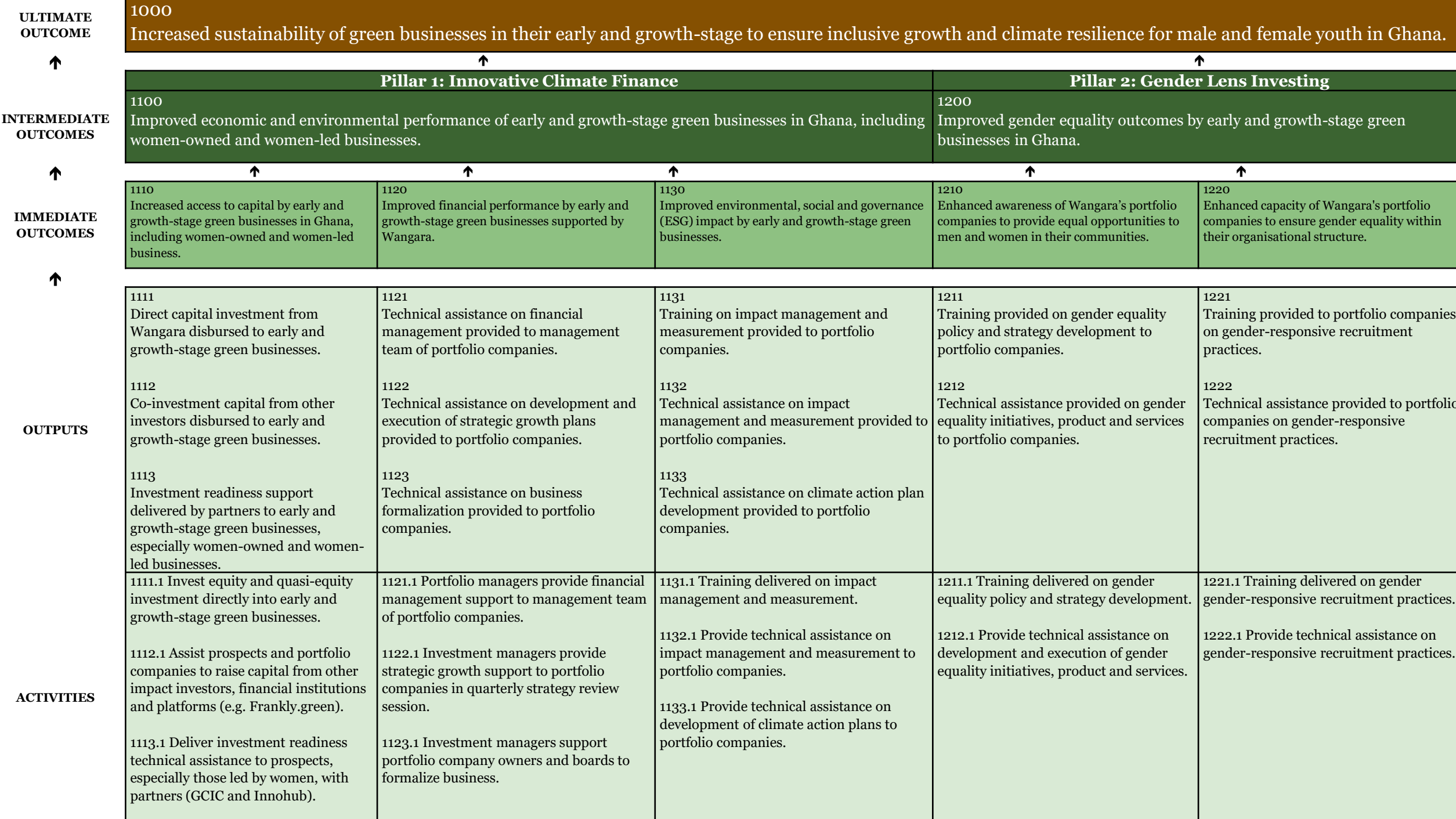
OVERVIEW OF WANGARA GREEN VENTURES

- ❖ **Wangara Green Ventures** provides early-stage green businesses that have a high growth potential with patient capital and the requisite value addition and value creation support services to enable them achieve their growth aspirations.
- ❖ The fund deploys an initial investment amount between **\$50k to \$500k** in quasi-equity instrument with the potential for follow-on investments of up to \$1 million in equity or quasi-equity.
- ❖ The Fund is sponsored by **Innohub** through the **World Bank's \$2.7m Ghana Climate Venture Facility (GCVF)**. This entails a \$1.5m first loss capital investment in the Fund and \$1.2m in technical assistance grants.
- ❖ Priority sectors include renewable energy, energy efficiency, climate-smart agriculture, water management, and waste management.

Target Size	GHS 30m (\$5m) – minimum fund size GHS 60m (\$20m) after 5 years; Initial capital of GHS 10m (\$2m)
Life	Evergreen (open-ended)
Currency	Invest in local currency
Impact	Primary: Climate Change Secondary: Job Creation & Gender
Stage	Early & Growth Stage
Deal Size	GHS 300k – GHS 6m (\$50k - \$500k); up to GHS6m (\$1m) after follow-ons
Instruments	Equity & Quasi-Equity
Deal Tenor	Minimum of 5 years;
Geography	Ghana

The objective of the fund is to provide patient capital and venture support to green businesses that enable them to attain their growth aspirations.

THEORY OF CHANGE



OUR THEORY OF CHANGE POSITS THAT **IF** WANGARA BRINGS ABOUT IMPROVED ECONOMIC AND ENVIRONMENTAL PERFORMANCE OF EARLY AND GROWTH-STAGE GREEN BUSINESSES IN GHANA, INCLUDING WOMEN-OWNED AND WOMEN-LED BUSINESSES **AND** THERE ARE IMPROVED GENDER EQUALITY OUTCOMES BY EARLY AND GROWTH-STAGE GREEN BUSINESSES IN GHANA; **THEN** THIS WOULD RESULT IN INCREASED SUSTAINABILITY OF GREEN BUSINESSES IN THEIR EARLY AND GROWTH-STAGE TO ENSURE INCLUSIVE GROWTH AND CLIMATE RESILIENCE FOR MALE AND FEMALE YOUTH IN GHANA.

Pillar 1: Innovative Climate Finance

The first pillar is Innovative Climate Finance which for Wangara Green Ventures entails the mobilization of private and public funding from both domestic and international sources to address climate change.

The Intermediate Outcome linked to this pillar is “Improved sustainability of green SGBs, including those led by women, in Wangara’s portfolio.”

The Ultimate Outcome and the benefit it will provide to the youth of Ghana rests on the sustainability of green SGBs which will in turn create much needed jobs for inclusive growth and climate resilience. Our basic assumption is that more sustainable green SGBs will result in more inclusive growth opportunities as well as climate resilience. The need to build sustainable green SGBs is supported by the business plan developed by the World Bank based on extensive consultations made for the Ghana Climate Innovation Center. Our environmental analysis goes further to ensure environmental safeguards are fully addressed through our investment process so as to ensure that the green SGBs in our portfolio do not get caught up in the risk of green-washing.

Pillar 2: Gender Lens Investing

The second pillar is Gender lens investing which is the practice of investing for financial return while also considering the benefits to women, both through improving economic opportunities and social well-being for girls and women.

The intermediate Outcome linked to this pillar is “Improved gender equality outcomes by green SGBs in Wangara’s portfolio.”

Beyond investing in women-led green SGBs, it is important to ensure that all portfolio companies take issues of gender equality seriously if the inclusive growth objective for youth of Ghana found within the Ultimate Outcome is to be fully met. This will mean ensuring that green SGBs in themselves have gender equality through the rank and file of their organisations as well as their communities. Two major barriers to gender equality tend to be awareness and capacity as highlighted in our gender analysis.

^[1] Sustainability is composed of three elements: economic, environmental, and social - also known informally as profits, planet, and people.

^[2] Green businesses are businesses tackling climate mitigation and adaptation and/or adopting clean technology within their business. Priority sectors for Wangara are renewable energy, energy efficiency, climate-smart agriculture, waste management and water management.

^[3] Inclusive growth is economic growth that is distributed fairly across society and creates opportunities for all. This for Wangara entails gender equality considerations in all aspects of economic growth.

^[4] Climate resilience is the ability to anticipate, prepare for, and respond to hazardous events, trends, or disturbances related to climate. Improving climate resilience involves assessing how climate change will create new, or alter current, climate-related risks, and taking steps to better cope with these risks.

^[5] Innovative climate finance entails the mobilization of private and public funding from both domestic and international sources to address climate change.

^[6] Gender lens investing is the practice of investing for financial return while also considering the benefits to women, both through improving economic opportunities and social well-being for girls and women

IMPACT STRATEGY

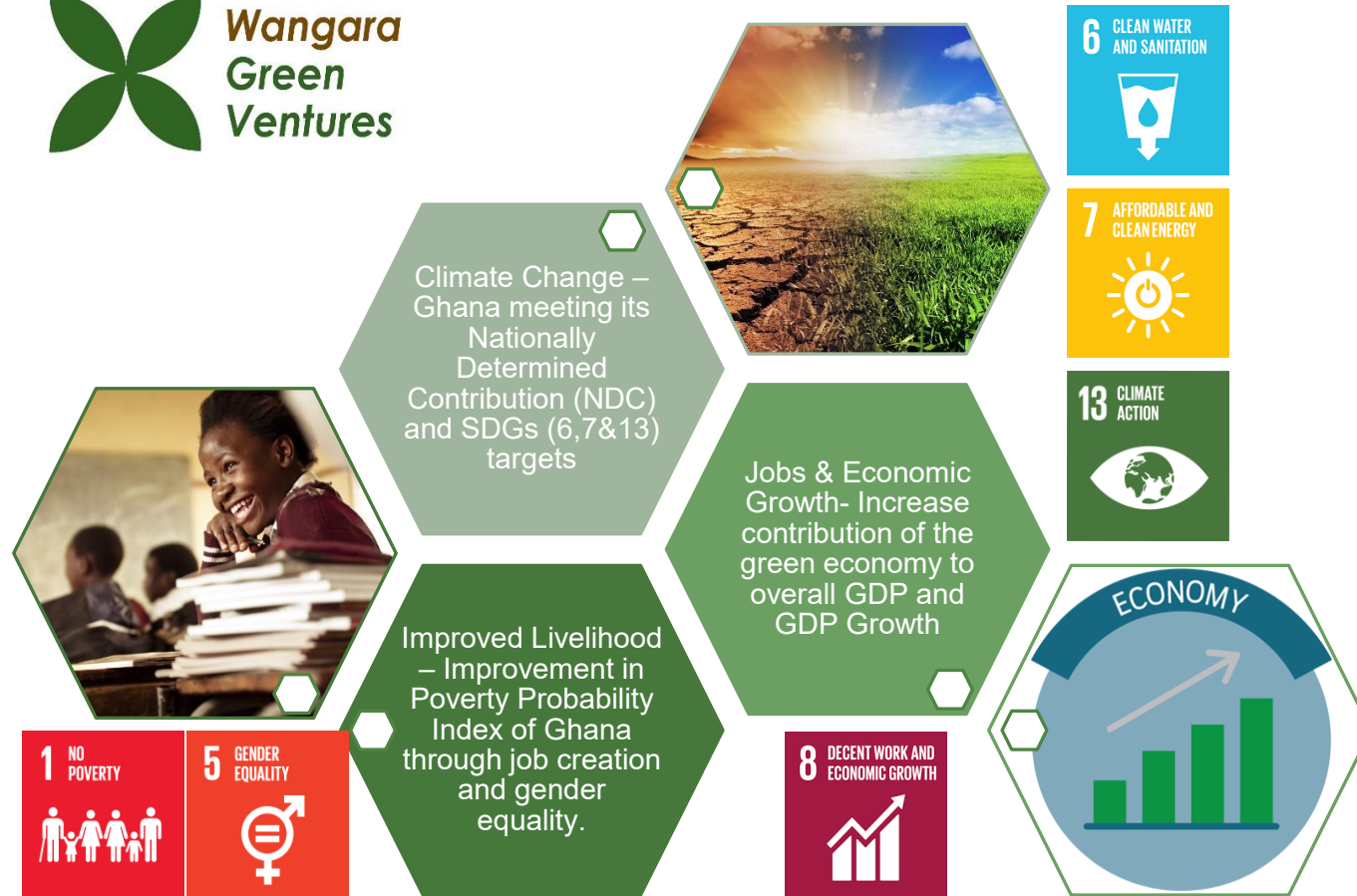
OVERVIEW OF IMPACT STRATEGY

On the basis of our investment strategy, there is good potential to create significant socio-economic impacts. These areas of impact will be monitored on the basis of tools that will be regularly filled by the entrepreneurs and management team.

Wangara seeks to ultimately deliver the following Social & Environmental Impact.

- ❖ Catalyze over GHS60m (USD 10m) in Capital
- ❖ Invest in 20+ Green Business
- ❖ Increase the adoption of clean technologies
- ❖ Increase the revenue and profitability of green businesses
- ❖ Create new formalised & quality jobs
- ❖ Enhance Climate Mitigation & Adaption
- ❖ Climate Change – Ghana meeting its Nationally Determined Contribution (NDC) and SDGs (6,7&13) targets
- ❖ Improved Livelihood – Improvement in Poverty Probability Index of Ghana through job creation and gender equality.
- ❖ Jobs & Economic Growth- Increase contribution of the green economy to overall GDP and GDP Growth

OUR IMPACT OUTCOMES



IMPACT METRICS

Lens	Indicators
Genral	# SMEs supported in Ghana
	% SME ownership by youth (≤ 35 years)
	% Revenue growth experienced by SMEs/entrepreneurs supported
	Investment/Loan amount disbursed in Ghana
	# Jobs created in SME portfolio in Ghana
	% Jobs created for youth (≤ 35 years)
	# Jobs supported in SME portfolio in Ghana
	% jobs supported for youth (≤ 35 years)
Gender	% SME ownership by women
	% jobs created for women
	% jobs supported for women
Climate	Climate-related services provided to SMEs
	Reduction of greenhouse gases (GHG) where applicable
	Generation of renewable energy where applicable
	Climate- and green-business changes to business models and operations where applicable

GENDER STRATEGY

WHAT GENDER EQUALITY MEANS TO US



- ☐ We recognize that beyond being an essential human rights component , Gender Equality is very vital in addressing the negative environmental impact.
- ☐ As a climate focused investment company, we identify that women are most impacted by climate issues given the role they play within the cultural context in Sub Saharan Africa: women are known to produce about 70% of the food consumed in Africa (UN forecasts). We also realize that Gender Equality should not only be focused on women but also men.
- ☐ So for Wangara, Gender Equality means offering equal rights, responsibilities and opportunities to women and men. We have incorporated this in our operating and investing activities and ensure equality and fairness in dealing with all our stakeholders whether governance members, staff, partners, existing or potential investors or existing or potential investees. (See *GE Policy*)
- ☐ In screening for investment opportunity, we therefore access and measure for GE impact by looking out for GE in teams, supply value chain or how a company's product or service impact women and men.

OUR APPROACH TO GENDER EQUALITY

We approach Gender Equality in three levels starting from the top within our organization, through our investment process and activities and in managing our investee companies across the investment tenor.

Investment Company Level

- Achieve Gender Diversity at the Governance Level – Board and Subcommittees: women-majority investment committee and independent board seat reserved for a woman.
- Always maintain a gender balanced team. Our current team is gender balanced; with female well represented in Senior Management (50/50) and more women than men in overall staff.

Investment Process and Actions

- Gender Equality is a key filter across our investment process – from sourcing & screening through due diligence and portfolio management
- Screening : we assess the commercial sense as well as social and environmental impact of prospects using an opportunity assessment tool. GE is a key metric in assessing the social impact of a business.
- Due Diligence: we validate the information obtained from a company in respect of GE by speaking with male and female stakeholders to get their perspective on a potential investee.

Portfolio Company Level

- We encourage our portfolio companies to embrace Gender Equality in their organizations and we set KPIs on GE using current levels as a base.
- We track and measure progress made in the organization with respect to GE not only internally, but also along their product value chain in a monthly and quarterly basis and report on an annual basis.
- We monitor Gender equity in terms of conditions of service, pay levels, rank and roles.

ONGOING ACTIVITIES AIMED AT INCREASING GE IMPACT

- ❑ **Partnerships for Dealflow:** Wangara Green Ventures works very closely with accelerators and Incubators in Ghana. Notably, our strong partnership with the Ghana Climate Innovation Centre (GCIC), a mainstream incubator for Climate businesses helps to get access to male and female climate innovators and fund their businesses. GCIC also has a dedicated program targeted at women entrepreneurs which becomes a good pool from which to identify and support female entrepreneurs.
- ❑ **Market Consultations and Studies:** In collaboration with Innohub, our Technical Assistance Partner, Wangara Green Ventures launched a market survey in August 2020. This was aimed at obtaining vital information from women entrepreneurs to better understand their peculiar needs in accessing financing for their businesses. The studies will also involve consultations with climate focused female entrepreneurs where findings will support Wangara better streamline its investment process to better accommodate the challenges of female entrepreneurs.
- ❑ **Training and Hackathon For Women Entrepreneurs:** Wangara will also be launching a training program and hackathon for Women Entrepreneurs in partnership with Innohub. The purpose of the program is to empower and equip women entrepreneurs focused on climate to become investment ready. One of the challenges faced by female entrepreneurs is the lack of resources and capacity building required to get their businesses and themselves attractive to financiers. The program will seek to address these challenges, equip and empower the women and ultimately refer them to Wangara for investment.

OUR GENDER EQUALITY OUTCOMES

Increased and more equal availability of capital to male and female-led, early-stage green businesses

Increase in the number of commercially viable male and female-led early-stage businesses.

Increase in the degree to our portfolio companies are managed to achieve organization-level gender equality outcomes.

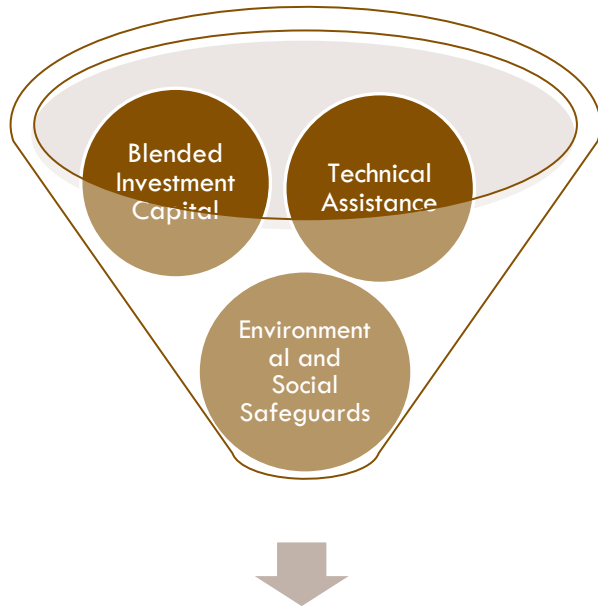
GENDER THEORY OF CHANGE

ULTIMATE OUTCOME	1000 Increased contribution by green SGBs to inclusive growth and climate resilience for men and women in Ghana.				
↑	↑		↑		
	Pillar 1: Improving the Sustainability of Green SGBs (Innovative Climate Finance)		Pillar 2: Enhancing the Gender-Responsiveness of SGBs (Gender Lens Investing)		
INTERMEDIATE OUTCOMES	1200 Improved sustainability of green SGBs, including those led by women, in Wangara's portfolio.		1200 Improved gender equality outcomes by green SGBs in Wangara's portfolio.		
↑	↑	↑	↑	↑	↑
IMMEDIATE OUTCOMES	1110 Increased access to capital by green SGBs, including those led by women, in Ghana.	1210 Improved financial performance by green SGBs supported by Wangara.	1220 Improved environmental, social and governance (ESG) impact by green SGBs supported by Wangara.	1210 Enhanced awareness of Wangara's portfolio companies to provide equal opportunities to men and women in their communities.	1220 Enhanced capacity of Wangara's portfolio companies to ensure gender equality within their organisational structure.

E&S SAFEGUARDS STRATEGY

EXECUTIVE SUMMARY

WANGARA ESG STRATEGY



Sustainable Investment Company

Wangara will be providing patient capital to early and growth stage SMEs with a strong climate focus in Ghana. Wangara will invest in the SMEs using equity and quasi-equity instruments in amounts ranging from \$50,000 to \$500,000. Priority sectors include clean technology (including energy efficiency & renewable energy) and climate-smart agriculture. Other generic SMEs with a strong climate agenda will also be considered.

Given its scope and investment mandate, Wangara has screened some 21 prospects and is currently preparing 6 of them for approval for due diligence by the investment committee. As a climate focused Investment Company, the positive environmental and social impacts of activities of its portfolio companies are important to the overall impact return of Wangara. In line with this, this Environmental & Social Safeguards (ESS) strategy is being developed to serve as a guide to the activities of Wangara as well as a management toolkit for assessing and recommending mitigation actions for negative environmental and social impact risks of portfolio companies which will be identified during the screening process.

Wangara's investment managers, upon their first site visit to a prospective portfolio company (SME) will be required to complete an Environmental and Social Impact Screening form (ESISF) to identify any negative environmental and social impacts associated with the prospect and recommend mitigation steps prior to presenting the prospect at the first Investment Committee (Selection Committee). If negative impacts are identified, safeguard tools such as Environmental And Social Impact Assessments (ESIA) Or Environmental And Social Management Plans (ESMP) will have to be prepared based on guidance from this document. Some of the negative environmental and social impacts include air and water pollution, plastic, metallic or electrical waste that will be produced as a result of production, construction or normal operations of the prospective company.

This ESS strategy has been adopted from the Environmental and Safety Management Framework developed for the GCIC project. The World Bank policy – Environmental Assessment Policy (OP/4.01) which was triggered in the GCIC project and its category B (Partial Assessment) also applies to Wangara. The ESMF strategy will be adopted by Wangara to ensure compliance with the World Bank's environmental and social safeguards policies.

The remaining part of this document looks at the objective of this ESS strategy for Wangara, scope of Wangara's business and potential E&S risks, regulations and policies, due diligence process and next steps for implementation.

INTRODUCTION

CONTEXT

- Ghana is a politically stable country with relatively good governance and the rule of Law. With a current population of 29.6 million and a GDP of USD 47.33 billion, which is growing at a rate of 6.8%, Ghana remains one of the largest and fastest growing economies within sub-Saharan Africa.
- According to a report by Research Gate, SMEs represent 92% of businesses in Ghana and contribute 70% to Ghana's GDP annually, making them the largest contributor. Globally, SMEs have been known to empower citizens & economic growth in Asia, Europe and North America. The story is not different in Ghana.
- Despite their contribution to economic development, SMEs in Ghana are faced with several challenges with limited access to finance leading the list. Bank loans may be available, however, high interest rates and requirements for collateral make this option prohibitive and out of reach to some SMEs, particularly those in the early and growth stages. There also exists private equity funds, however, players here remain few and existing ones prefer to do transactions above USD 500,000 with USD 1 million to USD 2 million being a sweet spot. There exists a gap for financing early and growth stage businesses who require funding below USD 500,000 and who do not meet the requirements for assessing a bank loan for example. This missing middle has to be adequately addressed in order to grow SMEs within Ghana.
- Ghana like many other countries faces a range of environmental challenges including land degradation, deforestation, biodiversity loss, water pollution, marine and coastal degradation, mining and industrial development, urbanisation, many of which may have causes associated to lifestyle changes, population growth and weak enforcement of environmental legislation (National Climate Change and Policy 2014 and UNFCCC (2011) Ghana 2nd National Communication, EPA, Accra Ghana).
- Innohub Foundation, with support from the World Bank and other stakeholders is sponsoring the launch of an evergreen investment company in Ghana - Wangara Green Ventures (Wangara) through the Ghana Climate Venture Facility (GCVF). The GCVF is an initiation to foster innovation and growth in the Ghanaian climate sector as well as promote climate best practices across the board by financing early-stage SMEs.
- Wangara will have a specific focus on climate related SMEs and SMEs in other sectors with best-in-class climate practices. Wangara will invest in these SMEs using equity and quasi-equity instruments ranging from 50,000 USD to 500,000 USD and promote Ghana's economic development, industrial competitiveness and job creation through support for climate-focused businesses and industries which represent some of the most promising and important sectors of the 21st century. Through the provision of financing and non-financial services, Wangara will support local entrepreneurs that develop innovative technologies and business models in areas such as clean technology, clean energy, climate-smart agriculture, water and waste management.
- Wangara is at its launch phase in Ghana and will be raising additional capital from investors into a fund with an initial target fund size of USD10 million within five (5) years. Wangara will be open ended and is expected to invest in at least 40 businesses over its first 10 years.
- Given that positive environmental and social impact is of utmost importance to its overall return, an environmental and social impact safeguards strategy is being developed to ensure the implementation of appropriate safeguards in the conduct of the activities of Wangara and those of its portfolio companies.

INTRODUCTION

OBJECTIVES

The Wangara ESS strategy will serve as a system for assessing the environmental and social impacts of activities of Wangara Green Ventures and that of its portfolio companies. The objectives of this ESS strategy are as follows;

- 1 Identify potential negative environmental & social impacts that are likely to be encountered in investee company activities
- 2 Outline roles and responsibilities within the Wangara investment team in applying World Bank Safeguards policies to screening investment opportunities.
- 3 Specify the processes & procedures for assessing environmental and social impacts of investee companies of Wangara
- 4 Evaluate training and development needs of the team in Wangara for effective implementation

INTRODUCTION

METHODOLOGY

Literature Review



THE WORLD BANK



International Finance Corporation
Part of the World Bank Group



Climate innovation Center
Ghana

The following literature was reviewed to gain an understanding of GCVF risk categorization as well as best in class safeguards policies and procedures;

- Ghana Climate Innovation Centre Project (GCICP) Environmental & Social Management Framework, Envil-Logica 2015
- IFC Performance Standards on Environmental & Social Sustainability (2012)
- IFC's Guidance Notes: Performance Standards on Environmental & Social Sustainability (2012)
- WorldBank Group Environment, Health & Safety Guidelines

In house team Discussions



- Wangara team members were consulted to assess which policies were applicable to the activities of Wangara and those of its portfolio companies

Consultants



THE WORLD BANK

- World Bank Staff/ Consultants were consulted to understand the GCIC project and sub-projects risk classification and overall WorldBank Group expectation of Environmental and Social Safeguards.

LEGAL & REGULATORY FRAMEWORK FOR ENVIRONMENTAL & SOCIAL MANAGEMENT



LOCAL ENVIRONMENTAL & SOCIAL POLICIES & REGULATIONS

Applicable Local Policies are as follows:

- ❖ **Environmental Assessments Regulations & Procedures:** prohibits commencing an activity or any undertaking without prior registration & environmental permit.
- ❖ **Environmental Protection Agency Act 1994 (Act 490):** an act which grants the EPA powers to set standards & enforce them to ensure compliance with the Ghana EPA regulations & procedures. EPA determines what constitute an adverse effect on the environment and is entrusted with monitoring to verify compliance, issuing licenses & permits.
- ❖ **National Water Policy:** addresses relevant issues and water resources management, urban water supply & community water & sanitation. Aims to achieve sustainable development, management & use of Ghana's water resources to improve health and livelihoods, reduce vulnerability while assuring good governance.
- ❖ **Environmental Sanitation Policies:** describes environmental sanitation to include developing a clean, safe & pleasant physical environment in all human settlements, promoting the social, economic & physical well being of all sections of the population. Comprises various activities including the construction & maintenance of sanitary infrastructure, provision of services, public education, community and individual action, regulations and legislation.
- ❖ **Local Government Act 1993 (Act 462):** act seeks to bring the process of governance to the doorstep of the populace at the Regional and District level. Confers the highest political authority in each district, municipality & metropolis to the Municipal, Metropolitan and District Assemblies (MMDAs) who are then responsible for the overall development, improvement and management of the human settlement & environment.
- ❖ **National Labour, Safety & Health Regulations:** comprises (i) Factories, Offices & shops Act of 1970 (Act 328) which mandates the Factories Inspectorate Department to register factories & ensure that internationally accepted standards of providing safety, health & welfare of persons are adhered to, (ii) Labour Act, 2003 (Act 651) which provides for the rights & duties of employers and workers, legal & illegal strike, guarantees trade unions and freedom of associations. The Act states that it is the duty of an employer to ensure that every worker works under satisfactory, safe & healthy conditions. (iii) Occupational Safety & Health Policy of Ghana which seeks to prevent accidents & injuries arising out of or linked with or occurring in the course of work by minimising as far as reasonably practicable, the cause of the hazards in the working environment & therefore the risk, (iv) National Workplace HIV/AIDs Policy which provides among others protection from discrimination in the workplace against people living with HIV & AIDS, prevent spread of HIV & AIDS & provide care, support & counselling for those infected & affected.

LEGAL & REGULATORY FRAMEWORK FOR ENVIRONMENTAL & SOCIAL MANAGEMENT



THE WORLD BANK SAFEGUARDS POLICIES

The World Bank's ten (10) plus safeguard policies are designed to help ensure that programs proposed for financing are environmentally and socially sustainable, and thus improve decision-making. The Bank's Operational Policies (OP) is meant to ensure that operations of the Bank do not lead to adverse impacts or cause any harm. The Safeguards policies are as follows:

- ❖ **Environmental Assessment (OP 4.01):** The OP 4.01 requires among others that screening for potential impacts is carried out early, in order to determine the level of EA to assess and mitigate potential adverse impacts. The Bank's project screening criteria group projects into three categories:
The Bank's project screening criteria group projects into three categories:
 - ✓ **Category A** – Detailed Environmental Assessment: projects that have significant, adverse environmental impacts that are sensitive (e.g. lead to loss of major natural habitat or involuntary resettlement). Stakeholder/project affected groups must be consulted as early as possible to take their views. Consultations continue throughout the project implementation where necessary to address EA issues affecting stakeholders. Requires full Environmental Social Impact Assessments (ESIA) with Environmental Social Management Plans (ESMP).
 - ✓ **Category B** - Initial Environmental Examination and Assessment: projects that have adverse environmental impacts (less adverse than Category A) and which are site specific. Stakeholder/project affected groups must be consulted as early as possible to take their views. Consultations continue throughout the project implementation where necessary to address EA issues affecting stakeholders. Will require some type of environmental analysis report.
 - ✓ **Category C** – Environmentally friendly: projects with minimal or no adverse environmental impact. Requires no environmental analysis beyond initial screening

The EA ensures that appropriate levels of environmental and social assessment are carried out as part of project design, including public consultation process, especially for Category A and B projects. The OP 4.01 is applicable to all components of the Bank's financed projects, even for co-financed components

LEGAL & REGULATORY FRAMEWORK FOR ENVIRONMENTAL & SOCIAL MANAGEMENT



THE WORLD BANK SAFEGUARDS POLICIES

- ❖ **Physical Cultural resources (OP 4.11):** The policy is premised on the need to investigate and take inventory of cultural resources likely to be affected. Mitigations are provided for in cases of adverse impacts on physical cultural resources. Mitigation measures should be undertaken in conjunction with the appropriate authorities, organizations and institutions that are also required to be consulted and involved in the management of cultural property.
- ❖ **Forestry (OP 4.36):** The OP/BP 4.36 aims at enhancing the environmental and social contribution of forested areas, and the need to reduce deforestation. The protection of forests through the control of forest-related impact of all investment operations is a concern of the policy. It promotes the restriction of operations affecting critical forest and conservation areas, while requiring that the sector and other stakeholders should be consulted as appropriate.
- ❖ **Safety of Dams (OP 4.37):** The Policy seeks to ensure that appropriate measures are taken and sufficient resources provided for the safety of dams the Bank finances. The Bank distinguishes between small and large dams, and the policy is triggered for large dams. Small dams are normally less than 15m in height; this category includes farm ponds, local silt retention dams, and low embankment tanks. For small dams, generic dam safety measures designed and supervised by experienced and competent professionals are usually adequate.
- ❖ **Indigenous Peoples (OP 4.10):** The objective of the policy is: (i) ensure that the development process encourages full respect of dignity, human rights and cultural features of indigenous people; (ii) ensure they do not suffer from the detrimental effects during the development process; and (iii) ensure indigenous people reap economic and social advantages compatible with their culture. Measures to address issues pertaining to indigenous people must be based on the informed participation of the indigenous people themselves.

LEGAL & REGULATORY FRAMEWORK FOR ENVIRONMENTAL & SOCIAL MANAGEMENT



THE WORLD BANK SAFEGUARDS POLICIES

- ❖ **Involuntary Resettlement (OP 4.12):** The Policy on Involuntary Resettlement is intended to assist displaced people arising from development projects, in order not to impoverish any affected people within the area of influence of projects. Triggers when project leads to involuntary taking up of land & other assets (e.g. For civil works or commercial agriculture) or restriction of access to natural resources within protected areas which will lead to physical relocation, compensation or livelihood restoration. An action plan that at least restores the standard of living must be instituted, in cases where resettlement is inevitable or loss of assets and impacts on livelihood occurs.
- ❖ **Public Disclosure Policy (OP 17.5):** this policy requires that all the people residing in the given areas of a project have the right to be informed of the proposed development project. Prior to project appraisal therefore, the summary of the study of the development action along with other relevant information should be disclosed to or at the level of the Bank and the project area.
- ❖ **Pest Management (OP 4.09):** this policy ensures that (i) appropriate measures are employed to reduce reliance on synthetic chemical pesticides (ii) promotes integrated pest management & in vector management (iii) minimize the environmental & health hazard of pest use. It is triggered when a project procures pesticides or pesticide application equipment or the project will lead to substantially increased pest use.
- ❖ **Natural Habitat (OP 44.04):** This policy recognizes that the conservation of natural habitats is essential for long-term sustainable development. The Bank, therefore, supports the protection, maintenance, and rehabilitation of natural habitats in its project financing. The Bank supports, and expects the borrowers to apply, a precautionary approach to natural resource management to ensure opportunities for environmentally sustainable development.

LEGAL & REGULATORY FRAMEWORK FOR ENVIRONMENTAL & SOCIAL MANAGEMENT

TRIGGERED WORLD BANK SAFEGUARDS POLICIES

- ❑ Wangara is a green investment company and as such will invest in SMEs that are green and sustainable (i.e. clean technology and climate smart agriculture). It is envisaged that the potential negative impacts of the investee companies will be minimal, localized and easily mitigated. Given its investment strategy, the World Bank safeguard policy that will be triggered as part of investee companies activities is the Environmental Assessment (OP 4.01) Category B. This is also in line with the GCIC project assessment. ***The GCIC project received a Category B after assessment. This applies to the GCIC and all its subprojects. Given the strategic partnership between Wangara and the GCIC, specifically deal flow, the category B rating will also apply to Wangara.***

All prospects will be screened for environmental and social impacts as part of pre due diligence & during the first site visit to the prospect. Mitigation steps will be taken following the screening before any disbursement is done.

Wangara will invest in SMEs whose screening falls within Category B or C. No SME which falls under category A will be funded.

- ❑ Wangara does not anticipate a prospect's activity will require large pieces of land which may lead to land acquisition or loss of livelihoods or assets or resettlement. Therefore, the Involuntary Settlement (OP 4.12) policy may not be triggered. However, in the event that a prospect's activity will lead to resettlement, Wangara may not invest in such an SME. However, if any project or activity arises which triggers this policy post investment, this policy will be applied.
- ❑ Wangara does not envisage an SMEs activities will trigger the World Bank Pest Management Policy (OP 4.09) since prospects adopt climate friendly practices such as the use of bio pesticides which are natural and environmentally.

INVESTMENT PROSPECTS- ASSOCIATED ENVIRONMENTAL & SOCIAL IMPACT RISKS

Wangara will encounter several SMEs as part of its deal pipeline building but will invest in a few (approx. 10%). Some anticipated risks associated with prospects are detailed below;

Air, Water, Soil Pollution

- **Source:** resulting from dusts & fumes, waste from electrical, electronic, metallic equipment produced as a result of production, construction or operations of the prospective portfolio company.
- **Effect:** threat to air, water quality and overall human health of workers and community. Soil pollution affects soil quality and food production & security.

Occupational Safety, Health & Environment

- **Source:** unsafe workplace conditions, poor layout for production activities, inappropriate or inadequate safety equipment,
- **Effect:** serious health risks to workers, low productivity, high turnover, low margins

Child Labour & Employments of under aged persons

- **Source:** use of cheap labour, exploitation of young, naïve & vulnerable
- **Effect:** leads to illegalities, abuse of children or under aged persons, reputational damage

Traffic Impacts

- **Source:** haulage trucks delivering raw materials to business premises, poor layout of entry or exit points to SMEs premises.
- **Effect:** adds to vehicular traffic, disrupts public

Land Disputes & Community Conflicts

- **Source:** stems from disagreement with community members on prospects activities
- **Effect:** leads to conflicts which could create problems of incompatibility and tensions

Excessive Noise Generation

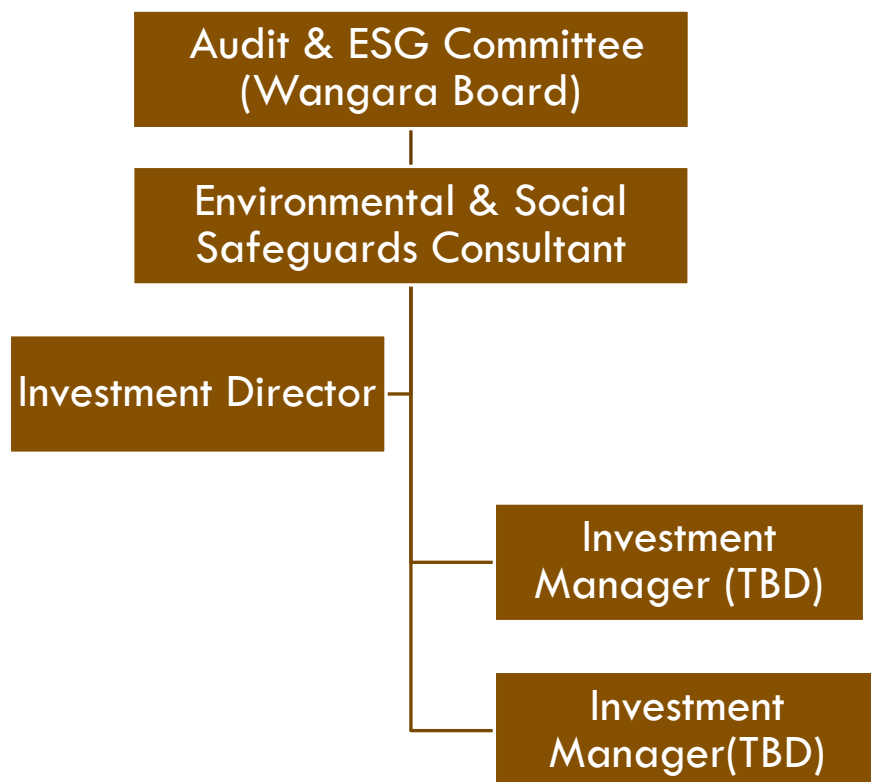
- **Source:** noise from operation of machinery or equipment in business activities of the prospect
- **Effect:** affects quality of life of workers & community. Noise pollution

Solid & Liquid Waste Management

- **Source:** improper disposal of waste including open disposal of solid or liquid waste. Poor waste management practices
- **Effect:** leads to air and water pollution. Threat to overall health of workers and members of the community

It is the responsibility of the Promoter to ensure that identified risks during screening are mitigated. Wangara will provide support in addressing these risks through TA support where required.

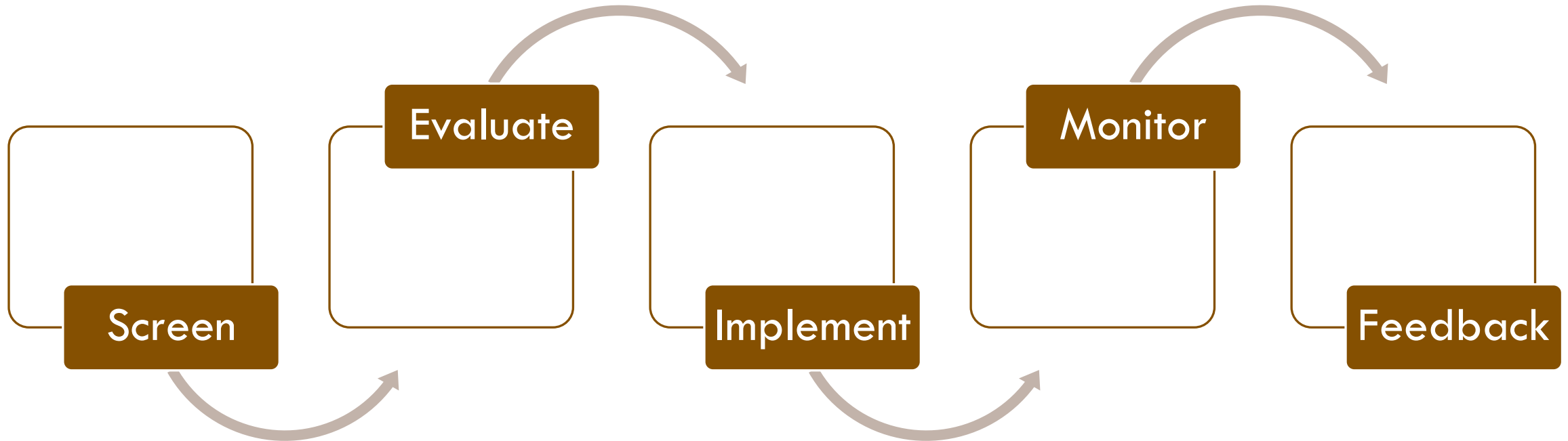
STRUCTURE OF WANGARA ESS TEAM & ASSOCIATED RESPONSIBILITIES



The Wangara ESS team is made up of the Investment Director, Investment Manager, and the Safeguards Consultant with oversight by the Audit & ESG Committee of the Board of Wangara. The team structure and associated responsibilities are as follows:

- ❖ **Audit & ESG Committee (Wangara Board):** has oversight responsibilities of the Wangara ESS team. Evaluate activities of Wangara and investee companies at meetings to ensure compliance with the world bank safeguard policies and local environmental and social policies and apply sanctions or recommendations where necessary.
- ❖ **Environmental & Social Safeguards Consultant:** supports the investment team (made up of the Managing Director, and Investment Director and Investment Manager) in managing the ESS impact of Wangara investment activities. Also provide advice and guidance to the Wangara team as well as recommend measures to enhance the effectiveness of the Environmental and Social Safeguards Strategy. The ESS consultant will be engaged by Innohub on an “as needed” basis.
- ❖ **Investment Director:** leads the investment team in ensuring compliance with ESS policies. Responsible for reviewing the ESISF completed by the Investment manager as well as ensure mitigating or preventive measures are implemented prior to investment. Recommends pre-due diligence for safeguards to be applied when necessary.
- ❖ **Investment Managers:** responsible for screening prospects upon first site visit, ensure promoter provides mitigating measures, undertakes monitoring to ensure compliance throughout investment holding period until exit. In its formative stage, Wangara has not yet on boarded an investment manager, therefore the investment associate will be playing this role.

ENVIRONMENTAL & SOCIAL IMPACT DUE DILIGENCE PROCESS



ENVIRONMENTAL & SOCIAL IMPACT DUE DILIGENCE PROCESS

Screen

- As part of its pre-due diligence activities, upon the first site visit to Prospect, investment manager must complete the Wangara ESS screening form. This helps to identify negative impacts associated with the prospects activities and the intensity of such impacts.
- Environmental and social impact risks identified must be clearly stated and mitigation steps recommended. The Promoter is responsible for explaining how the identified risks will be mitigated or prevented.
- The Prospect's business activities must be evaluated to gain an understanding of the risks associated with the business and to apply a risk rating or to assess whether risks identified fall within Category B or C of the World bank EA. Wangara will not invest in companies who fall within Category A of the World bank EA
- The ESS screening form must be reviewed and signed off by the Investment Director
- The outcome of the screening will inform whether further investigation & assessments is required to mitigate the identified risks.
- If screening form has all "No" for each question, the prospect will be categorized as C. If a "Yes" appears anywhere, the prospect will receive a B category

Evaluate

- The Evaluation must be done by the Investment Director who must identify whether identified risks are minimal or whether further assessments is required and an ESS consultant needs to be engaged. The category assigned to the prospect will be a guide. In evaluating the prospect, the Investment Director must ensure none of the World Bank Safeguards, or ESS policies of Wangara are violated.
- Where certain violations occur currently, but can be mitigated or prevented without an ESMP, the ESS consultant does not need to be engaged and the Investment Director will have to ensure that the corrective measures are undertaken prior to investment. Where intense negative social impacts or environmental impacts exists or where further assessment is required, an allocation for pre-due diligence for Safeguards must be made and a Safeguards consultant engaged for remediation.

ENVIRONMENTAL & SOCIAL IMPACT DUE DILIGENCE PROCESS

Implement

- The Wangara ESS team led by the Investment Director is responsible for implementing the ESS policy. An ESS consultant when engaged, will serve as a guide.
- A competency & capacity building management program will be instituted for Wangara and its investee companies to equip them to identify negative environmental and social impact risks and propose mitigation measures .
- An ESS consultant will be engaged where necessary to implement an ESMP. It is not anticipated that the negative impacts (if any) associated with investee companies will be intense beyond what the investment team cannot handle given the necessary training. Therefore, an ESS consultant will be engaged on an as needed basis when a prospect's activities have potential significant environmental and social impacts .
- Each investee company will be made to adopt the Wangara E & S policy as part of an Environmental and Social management System (ESMS) for its operations.
- Periodic training and capacity building will be required for Wangara team and investee companies to ensure members are informed about best practices equipped to identify E & S risks and recommend mitigation measures.

Monitor

- Ongoing monitoring of investees activities will be done to assess whether implementation of mitigation measures is going on as planned and to focus resources where needed.
- There will be flexibility to allow for adjustment of activities and plans to respond to unexpected risks and/or events.
- Consistent monitoring will help to build trust with stakeholders

Feedback

- Ongoing feedback will be given to improve investee companies compliance with World Bank safeguard policies as well as Wangara E& S policies.

IMPLEMENTATION & CAPACITY BUILDING PLAN

- ❖ In the early stage of Wangara's activities , it is not very practical to engage a dedicated personal for ESG given limited budget and scope of work due to limited deal making activities. Therefore , the Investment Associate will support the Investment Director in screening prospects and implementing necessary E&S strategy.
- ❖ However, the investment team has little prior experience or capacity to effectively implement the safeguards or preventive measures. The team will require training and orientation to sensitize them regarding what to look out for in screening and how to implement preventive measures for remediation.
- ❖ Wangara will coordinate with the world bank to have an expert train the investment team on the World Bank's safeguards and other best in class ESG practices.
- ❖ Wangara will also engage an ESS Consultant to support its compliance with World Bank's Safeguards policies . As part of the scope of work, the consultant will conduct periodic training for the Wangara team as well as workshops or seminars for the investee companies. These trainings will be ongoing throughout the investment period to enable the team stay abreast with current trends and best practices.
- ❖ Budgetary needs for these trainings have not yet been fully evaluated. These will however be considered in the procurement of an ESS Consultant.

ANNEX

IMPACT HANDBOOK

WANGARA IMPACT HANDBOOK



E&S IMPACT SCREENING FORM



Wangara Green Ventures Environmental & Social Impact Screening Form (ESISF) For Prospective Investee Companies

This Environmental & Social Impact Screening Form has been adopted from the GCIC Project ESMF

This Environmental & Social Impact Screening Form (ESISF) has been designed to screen prospective investee companies (prospect) for any potential adverse environmental and social impacts before investing in them. The form is designed to place information in the hands of implementers and reviewers so that impacts and their mitigation measures are determined.

The form contains information that will allow reviewers to determine the characterization of the prevailing local bio-physical and social environment with the aim to assess the potential negative environmental and social impacts of the technology investment.

PART A: Prospective Investee Company Details

No.	Question	Answer												
1.	Name of Business													
2.	Name of Promoter													
3.	Managing Director (if different from Promoter)													
4.	Address/ Location	<table border="1"> <tr> <td>Postal Address</td><td></td></tr> <tr> <td>Street Name</td><td></td></tr> <tr> <td>Town/Village</td><td></td></tr> <tr> <td>District</td><td></td></tr> <tr> <td>Region</td><td></td></tr> <tr> <td>Digital Address (if any)</td><td></td></tr> </table>	Postal Address		Street Name		Town/Village		District		Region		Digital Address (if any)	
Postal Address														
Street Name														
Town/Village														
District														
Region														
Digital Address (if any)														
5.	Phone number of MD or Promoter													
6.	Key contact Email													

PART B: Brief Description of Prospect's Activities

Describe the prospect's location, siting and surroundings (include a map, or even a sketch map). Please provide information on the type and scale of the climate change innovative enterprise (area, required land, approximate size of total building floor area, roads, disposal sites, water supply, energy requirement, human resources, etc.) in the box below.

GENDER EQUALITY POLICY

GENDER EQUALITY POLICY

1. INTRODUCTION

Wangara Green Ventures is an impact investment company focused on providing risk capital to early stage green businesses in Ghana. The company seeks to contribute to Ghana's green economy by investing between GHS250,000 and GHS500,000 in over 40 early stage climate focused businesses over a ten (10) year period. Wangara is an equal opportunity investor and ensures equal access to its resources and services by both male and female entrepreneurs.

By this policy, Wangara Green Ventures seeks to be intentional with Gender Equality; ensuring intolerance to gender biases or discrimination and increasing its impact on women entrepreneurs who are climate focused.

2. OBJECTIVES

- ☐ To ensure there is no gender discrimination by Wangara Green Ventures and its portfolio companies
- ☐ To minimize gender inequalities through our activities and those of our portfolio companies
- ☐ To ensure that our investment process is sensitive to the needs of female entrepreneurs and address those needs either directly or indirectly in partnership with other gender focused intermediaries or specialists.

3. POLICY

Wangara will

- ☐ Seek out investment opportunities, projects and activities that contribute positively to Gender Equality.
- ☐ Promote Gender Equality and women empowerment in its operations and ensure there is no gender discrimination at the company level.
- ☐ Ensure fairness and equity in accessing male and female-led businesses for investment.
- ☐ Actively encourage women entrepreneurs operating in climate related sectors to access funding for their businesses.
- ☐ Encourage its portfolio companies to increase women participation at the governance, management, or operational level or along their value chain.
- ☐ Ensure that our commitment to Gender Equality is visible in our investment process from deal sourcing to screening, due diligence, and investment management.
- ☐ Ensure that our portfolio companies have the capacity to develop and execute gender equality policies and strategies.
- ☐ Ensure that our portfolio companies frequently track and report on how their business activities has impacted women and girls and contributed to Gender Equality.
- ☐ Report on the proportion of female vs male entrepreneurs supported on an annual basis.
- ☐ Report on the impact its operating and investment activities has had on Gender Equality.

Further information on how Wangara Green Ventures approaches Gender Equality can be found in the Gender Equality Strategy.

HUMAN RIGHTS POLICY

HUMAN RIGHTS POLICY

1. INTRODUCTION

Wangara Green Ventures finances small and growing businesses in Ghana that are climate focused. The investment company focuses on five priority sectors: Renewable Energy, Energy Efficiency, Waste Management, Water Management and Climate Smart Agriculture. Other eco-friendly businesses are also considered. Through its operational and investment activities, Wangara Green Ventures commits to promote and respect human rights of all stakeholders and members of its community (staff, consultants, third party suppliers of Wangara and those of our portfolio companies, investors and prospective investees and governance members)

By this policy, Wangara Green Ventures commits to protect the members of its community as well as the members of society impacted by our activities against human rights abuse.

2. OBJECTIVES

The objective of this Human Rights Policy is to:

- ☐ To ensure our employees and the employees of our investment companies feel free and safe to engage in their professional work.
- ☐ To ensure that no member of our community is discriminated against whether by their gender, social class, religious belief, or sexual orientation.
- ☐ To ensure that we adopt a people-centered approach to our social and environmental impacts as well as how we address unintended negative impact from our operating and investing activities.

3. POLICY

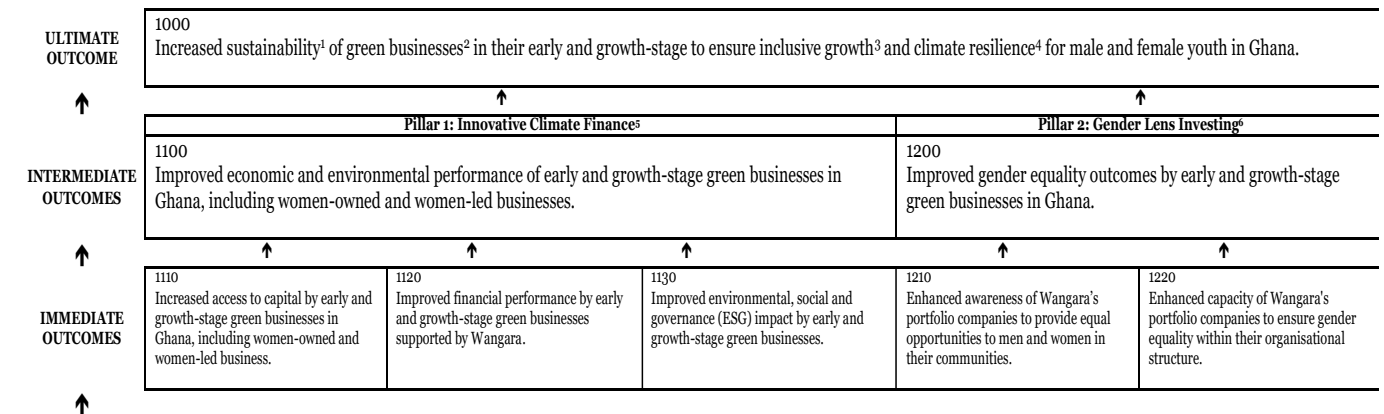
- ☐ **Freedom of Association:** Members of our community have the right to join any association provided it is lawful and does not disrupt the peace and safety of others. Our staff also have the form or join labor unions in a lawful manner.
- ☐ **Freedom of Expression:** All stakeholders and members of our community have a right to freely express their views about Wangara Green Ventures and our activities without fear of intimidation, conviction or victimization. Wangara Green Ventures is committed to being open to criticisms and external views aimed at helping the company improve its impact.
- ☐ **Equality:** All persons are equal before the law. Wangara Green Ventures is an advocate for equity and fairness and shall not tolerate inequalities in its operating or investing activities. racism, unfair treatment, discrimination or other personal or emotional biases that any member of our community may use to discriminate against other persons or group of persons they engage with.
- ☐ **Discrimination:** Wangara Green Ventures shall not tolerate any form of discrimination (gender, race, social class, beliefs, sexual orientation etc) by or on any member of its community.
- ☐ **Sexual Harassment:** No form of sexual harassment will be tolerated at our workplace or the workplace of a portfolio company. No member of our community shall be found to be guilty of sexual harassment. The following are viewed as sexual harassment; use

THEORY OF CHANGE & LOGIC MODEL

THEORY OF CHANGE

Our theory of change posits that **IF** Wangara brings about improved economic and environmental performance of early and growth-stage green businesses in Ghana, including women-owned and women-led businesses **AND** there are improved gender equality outcomes by early and growth-stage green businesses in Ghana; **THEN** this would result in increased sustainability of green businesses in their early and growth-stage to ensure inclusive growth and climate resilience for male and female youth in Ghana.

LOGICAL MODEL



¹ **Sustainability** is composed of three elements: economic, environmental, and social - also known informally as profits, planet, and people.

² **Green businesses** are businesses tackling climate mitigation and adaptation and/or adopting clean technology within their business. Priority sectors for Wangara are renewable energy, energy efficiency, climate-smart agriculture, waste management and water management.

³ **Inclusive growth** is economic growth that is distributed fairly across society and creates opportunities for all. This for Wangara entails gender equality considerations in all aspects of economic growth.

⁴ **Climate resilience** is the ability to anticipate, prepare for, and respond to hazardous events, trends, or disturbances related to climate. Improving climate resilience involves assessing how climate change will create new, or alter current, climate-related risks, and taking steps to better cope with these risks.

⁵ **Innovative climate finance** entails the mobilization of private and public funding from both domestic and international sources to address climate change.

⁶ **Gender lens investing** is the practice of investing for financial return while also considering the benefits to women, both through improving economic opportunities and social well-being for girls and women

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