

Luxembourg, 20 September 2023

Environmental and Social Data Sheet

Overview

Project Name:	ETG REGIONAL EXPANSION (AFRICA)
Project Number:	2022-0390
Country:	Regional - Africa
Project Description:	The project consists of activities supporting (i) the modernization and upgrade of existing production facilities, (ii) the expansion and vertical integration of Promoter's operations along their value chains, as well as (iii) the expansion of the extension services provided by the Promoter at granular level in the countries of the project.
EIA required:	Some of the schemes may require an EIA
Project included in Carbon Footprint Exercise ¹ :	no
(details for projects included are provided in section: "EIB Carbon Footprint Exercise")	

Environmental and Social Assessment

Environmental Assessment

The project will include various activities, ranging from energy efficiency measures, resource efficiency, new food and feed processing capacity, storage and logistics solution, to expansion of their extension services in deep rural areas. Based on the information available, the project activities will take place in existing industrial areas, located away from nature conservation areas; this information will be nevertheless checked for each individual sub-project, as well as the proximity to any environmentally sensitive zones and the need to carry out an EIA, in alignment with the EIB's Environmental and Social Sustainability Framework (ESSF)².

All activities to be included in the project will have to comply with the National Environmental Legislation of the respective country, where the project will take place. The relevant national/local environmental authorities will issue the environmental decisions, certificates, permits or licenses, relevant for the implementation of the sub-projects under this framework loan. All projects must therefore comply with the respective requirements of local and national legislation on environmental and social matters, as well as with the EIB E&S standards (project condition).

The ESIA's (Environmental and Social Impact Assessments) will be prepared by the Promoter, and will be part of the documents that will be required by the EIB for ex-ante review/approval at project allocation stage (project condition). The project will employ only highly efficient technology and techniques, in terms of energy and resources (e.g. water use).

The project takes place in countries that are exposed to high climate risks. The Promoter has developed strong knowledge and understanding of the climate aspects, and has put in place

¹ Only projects that meet the scope of the Carbon Footprint Exercise, as defined in the EIB Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: 20,000 tonnes CO₂e/year absolute (gross) or 20,000 tonnes CO₂e/year relative (net) – both increases and savings.

² The ESSF includes the Environmental and Social (E&S) Policy and a revised set of EIB S&S Standards, including a new Standard 11 on Intermediated finance, which describe the requirements that all EIB-financed projects must meet



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proper procedures, policies and governance structure to manage these risks. They incorporate climate aspects in each of their operations. It can be noted here the relevant contribution to climate adaptation, made by the delivery of tailored extension services at granular level, in rural areas; these services support the local, mainly small farmers, in e.g. developing a better understanding of the local climatic conditions, tools to mitigate them, tailored fertilizers/past control/seeds, adapted to specific local environments.

The project is considered to be Paris aligned - both against low carbon and resilience goals - as it operates in the bio-economy sector, it's not in an energy intensive industry, as well as it's not included in any CBR-excluded activities. The project will also include energy efficiency measures along various types of operations.

Social Assessment, where applicable

- The project will include activities related to the upgrade of the safety equipment and processes along their various operations, dedicated to creating an improved and safer work environment for their employees. The Promoter has put in place a dedicated team to address the work safety issues, with experience and proper understanding of the matter.
- The delivery of agricultural extension services will contribute to an improved level of knowledge at farm level of good agricultural practices and will result in improved yields combined with reduced (optimized) use of agricultural inputs. It can be noted here that these services will be available free of charge and will benefit mainly the small farmers in the countries served by the project. The Promoter benefits from the improved outreach to smallholders that potentiates the purchase of agricultural produce and the sales of agricultural inputs.
- The promoter has been working with smallholder farmers located in deep rural areas across the region, who most often have limitations in access to agricultural inputs, extension information, and access to markets. This is a key in ensuring safety nets for smallholder farmers to increase productivity, reduce post-harvest losses and adapt to climate resilient agricultural practices. The project targets to continue building resilience for this vulnerable group at the base of the pyramid.
- Through the operation the promoter will expand work with farmers including women in its supply chain to strengthen their agricultural practices along the value chain. ETG is in the process of developing a gender action plan building on experiences already gained in implementing various gender focused initiatives. One of the emerging objectives of the action plan is to identify areas within the business where female participation and empowerment can be promoted including through targeted extension services and trainings. Relevant gender related undertakings, KPIs and reporting requirements will be further explored before project signature.

Public Consultation and Stakeholder Engagement

For any sub-project requiring an EIA, public consultations will have to take place, as part of the process.

Other Environmental and Social Aspects

The Promoter has an environmental and social management framework (ESMF) in place, a good understanding of the climate and environmental issues and incorporated such considerations along their operations. They developed a process for the improvement of the health and work safety conditions of its employees.

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Conclusions and Recommendations

The project will result in improved and extended infrastructure for the collection, processing and selling of local agricultural produce. In addition, the project will support the expansion of the extension services delivered by the promoter to the local farmers, allowing them to gain increased yields, while optimizing the use of agricultural inputs and resources (e.g. fertilizers, pesticides, or water). This will impact positively the livelihood of numerous smallholder farmers in the region. The Promoter shall comply with the following project conditions and undertakings:

- If required either by the national/local authorities or by the EIB, submit to the Bank:
 - the Environmental Approvals by the competent authorities for specific sub-projects, as applicable.
 - an EIA report and/or a Resettlement Action Plan and Stakeholder Engagement Plans in line with the ESMF and with EIB E&S standards, to the satisfaction of the Bank.
- Shall not produce, make use of or trade in pharmaceuticals, pesticides/herbicides, chemicals, ozone depleting substances and other hazardous substances subject to international phase-outs or bans.
- Plant protection products and fertilizers shall be used: (i) under strict observance of the EU regulation and/or FAO/WHO code of conduct, as applicable, including registration, use and monitoring; (ii) in compliance with an agreed chemical products management plan; and (iii) pesticides and fertilizers subject to international phase-outs or bans have to be excluded.
- Implement a system for the collection of the empty packaging resulted from the sale of their agricultural inputs (e.g. plastic bottles/containers), and proper disposal of them. The percentage of packaging collected and recycled, along with the geographic outreach progression of this system will be reported in the annual Project Progress Report (PPR) and the Project Completion Report (PCR). The packaging recycling activities and goals system will be part of the auditable ETG's Environment, Health, Safety, and Quality (EHSQ) Management System.
- Implement and operate the Project in compliance with EIB E&S Standards, and ILO core labour standards, in particular with the inclusion of provision (for contractors) for the respect of: principles of equal treatment and non-discrimination in employment and at the workplace, and equal access for men and women to employment opportunities.
- For sub-projects with a potential to affect a site of nature conservation importance that is protected under national or international legislation or agreements, the Promoter shall obtain a confirmation from the competent nature conservation authority, or an equivalent assessment satisfactory to the Bank, that the sub-project does not have a significant negative impact on the site of nature conservation importance that is protected under national or international legislation or agreements.
- Store and share with EIB the relevant documents updated (including environmental studies related to the EIA, as well as Nature/Biodiversity Assessments, Resettlement Action Plans (RAP), Stakeholder Engagement Plans (SEP)). In case the EIB requires such documentation, the Promoter shall provide all documents requested promptly as soon as the request from the Bank has been received.

Taking into account the conditions on the project, the capacity of the promoter and the systems in place to manage environmental and social impacts and issues, the project is acceptable for the Bank.