



**Environmental & Social Due Diligence (ESDD) for the subproject to support to address post-harvest losses for cereals in eight (8) selected Tanzania Regions to enhance food security by the National Food Reserve Agency (NFRA) which are Manyara, Njombe, Songwe, Ruvuma, Shinyanga, Katavi, Rukwa and Dodoma Regions.**

<b>Part I: GENERAL INFORMATION</b>		
<b>Client/Customer Name:</b> National Food Reserve Agency	<b>Client/Customer Number:</b>	<b>Sector:</b> Agriculture - Agro-Stockiest
<b>Project name (if different from Customer Name):</b>	<b>Size of Investment /Project Total Cost:</b>	<b>If group, Total Group Exposure:</b>
<b>Location of the Project:</b>  NATIONAL FOOD RESERVE AGENCY  P.O. Box 1050, Kizota Industrial Area, Dodoma- Tanzania	<b>Contacts:</b> Phone: +255 (0) 26 2963953/+255 (0) 26 2963950  Email: <a href="mailto:info@nfra.go.tz">info@nfra.go.tz</a>  Website: <a href="https://www.nfra.go.tz/">https://www.nfra.go.tz/</a>	<b>Facility Type and Approved Amount:</b> <b>Total Exposure:</b> Working Capital – to procure cereals.  TZS 60,000,000,000 (TZS 60 billion) equivalent to USD 22.64 Million  (1USD= TZS 2,650 /=).
<b>Branch:</b> Kambarage Premier Branch <b>Customer segment:</b> Corporate	<b>Responsible RM/MCO/MBB/CA:</b> Hosea Mwakyoma	
<b>Prepared/Updated by:</b> Joseph ISHIMWE		<b>Date:</b> 26 November 2024
<b>Last Update:</b> 17 January 2025		
<b>Brief Project Description:</b>		
<p>National Food Reserve Agency (NFRA) is a national food security platform, with a main objective of protecting the country from food scarcity to maintain a national optimal level of food reserve to address local food shortages and respond to immediate emergency food requirements hence increase food security of the country. The operations involve purchasing cereals during harvest season from regions with surplus production and store them in the national reserve storage facilities. Cereals especially maize stored in the national storage facilities distributed in accordance with the national priorities during critical shortage of food. Normally during years when the country experiences cereal surplus the Agency buy excess from the farmers and store the cereals in their facilities. The requested loan facility will be used to buy food grains from farmers who normally have inadequate and poor storage facilities to stock their harvests.</p>		

The Agency usually procures grain in regions/areas with surplus production, most of these areas are found in Southern Highland regions that include Ruvuma, Njombe, Songwe, Iringa, Mbeya, Rukwa and Katavi and to enhance food resilience, the agency buys in small quantities in deficit region. NFRA procures grain through their buying centres, agents, tendering/importation, farmers groups/associations (including Agricultural Marketing Cooperative Societies (AMCOS) and Savings and Credit Cooperative Societies (SACCOS). During this harvest season 2024/25, the Agency plans to procure about 700,000 Metric Tons of food grain at its zones for the purpose of storage to avoid post-harvest-loss and enhancing food security of the country.

This facility and amount that NFRA request shall be channelled from the GCF proceeds and will be used exclusively for the procurement of cereals from farmers. The funds in the facility will not be used to construct new or expand existing storage facilities and/or expansion of the existing transportation fleet as there are storage facilities that are associated with the activity that the bank has found it prudent to further confirm the availability of the EIA certificates to verify that the compliance with the national laws and confirm the nature, scale, and, location of storage facilities which are considered as associated facilities with the certificates providing conditions laid out by National Environmental Management Council (NEMC) to NFRA so as to among other conditions account for compliance with national frameworks, potential E&S risks and impacts, mitigation plans, E&S organizational and management capacity, emergency preparedness, and response plan, monitoring and reporting. The certificates account for the 8 regions that NFRA wants to procure and store cereals from the GCF proceeds namely, Manyara, Katavi, Songwe, Shinyanga, Ruvuma, Dodoma, Njombe and Rukwa Regions and as per the ESIA Reports of these storage facilities, all storage facilities are in industrial areas and with baseline information incorporated in the report.

		Yes/No/NA	Additional information
<b>Exclusion List</b>	Does the activity falls under the Exclusion List? <i>Refer annex 1 of ENVIRONMENTAL &amp; SOCIAL MANAGEMENT PROCEDURES</i> If <b>Yes</b> , reject the application If No – Proceed to the process in Part II through to part III	<b>NO</b>	The activities do not fall under exclusion list meaning that they can be funded under the GCF Proceeds.

**PART II: ENVIRONMENTAL AND SOCIAL RISKS CATEGORIZATION PROCESS:**

**SECTION 1:**

**E&S Categorization based on the National Laws and Regulations:**

The project activities fall under type C category as stipulated in The Environmental Management Act (CAP. 191) in its Environmental Management (Environmental Impact Assessment and Audit) (Amendment) Regulations of 2018, as it involves the Post-harvest Storage for cereal crops which falls under other activities sub-section.

SECTION 2:		
E&S Risk Category Identification based on IFC Performance Standards 1 to 8:		
Applicable Requirements	Yes /No/ NA	Management Plan <i>(Please provide additional information for actions taken/to be taken to minimize/mitigate the impacts)</i>
<b>Performance standards 1:</b> "Assessment and Management of Environmental and Social Risks and impacts."		
(a) <b>E&amp;S policy/Management System</b> available?	Yes	<p>NFRA is governed by the Ministry of Agriculture which has an Environmental Management Unit that oversees the Environmental Management Systems of the ministry at large and the agencies under the Ministry such as the NFRA.</p> <p>The Environmental and Social Management System (ESMS) of the Ministry of Agriculture in Tanzania is a framework designed to integrate environmental and social considerations into agricultural projects to ensure sustainability. It involves identifying and assessing environmental and social risks, implementing mitigation measures, and continuously monitoring the impacts of agricultural activities. The ESMS emphasizes stakeholder engagement, particularly with local communities, and builds the capacity of relevant stakeholders to implement environmental and social safeguards. It also ensures compliance with national and international regulations, aiming to minimize negative impacts on the environment and society while promoting sustainable agricultural practices.</p>
(b) Is the <b>system/procedure</b> in place to identify, assess and manage the potential E&S risks and impacts?	Yes	<p>NFRA is governed by the Ministry of Agriculture which has an Environmental Management Unit that assess and manage the Environmental risks associated with NFRA activities who work hand in hand with intergovernmental authority such as National Environmental Management Council (NEMC), Prime Minister's Office - Labour, Youth, Employment and Persons with Disability and Occupational Safety and Health Agency (OSHA).</p>
(c) Is <b>E&amp;S Officer</b> for managing E&S issues available?	Yes	<p>The E&amp;S issues in NFRA operations are overseen by the Environmental Management Unit of the Ministry of Agriculture.</p> <p>Moreover, at site level, each warehouse has got a Crop Quality Manager and Stores Manager who oversee the quality of cereals on daily basis and ensure the E&amp;S stewardship of the facilities through activities such daily cleaning activities and proper handling of all other E&amp;S issues.</p>

<p>(d) Is the procedure in place to engage with <b>local communities (eg. grievance mechanism, stakeholder engagement plan)</b> to address community grievance?</p>	<p>Yes</p>	<p>NFRA being a government agency it follows the Public Service Complaints and Feedback Systems that includes the feedback channels such as suggestion boxes, toll-free phone numbers, and online platforms for lodging grievances.</p> <p>The Public Service Complaints and Feedback Systems operates in the principles and procedures, such as impartiality, confidentiality, and timely resolution of complaints and easily accessible to all stakeholders which are in alignment with CRDB GRM and GCF IRM.</p>
<p>(e) Does the company have the <b>emergence response Plan?</b></p>	<p>Yes</p>	<p>NFRA stocking activities require the minimal of emergency response plan for cases such as theft and disasters such that the stocks are guarded by security personnel and that an intra-governmental agencies collaboration such as with Fire and Rescue Force and other forces are in place in case of emergencies.</p>
<p><b>Performance standards 2:</b> “Labour and Working Conditions.”</p>		
<p>(a) How many <b>employees</b> does the company have?</p>	<p>NFRA has government employees as well as seasonal workers during the stocking of the cereals with Crop Quality Manager and Stores Manager for each facility.</p>	
<p>(b) Is <b>Human Resource (HR) Policy</b> available? (that is consistent with the requirements of national labour laws)</p>	<p>Yes</p>	<p>NFRA is an agency under the Ministry of Agriculture and the Human Resources policy is that adopted and developed as per The Employment and Labour Relation Act (CAP. 366 R.E. 2019).</p> <p>NFRA also strictly abides to the Sexual Offenses (Special Provisions) Act, Chapter 16 (CAP 16) of the Laws of Tanzania and labour laws which focus on preventing sexual exploitation, abuse, and harassment (SEAH) in the workplace.</p> <p>Moreover, as per the Tanzania’s laws prohibit discrimination in employment, including issues related to race, gender, disability, and sexual orientation. The Equal Opportunities Employment Act (CAP. 366 R.E 2019) outlines such policies. These regulations apply to all Tanzanian employers, including the NFRA, to ensure non-discriminatory practices in hiring, promotion, and workplace treatment.</p>

<p>(c) Are policies and procedures for managing and monitoring the performance of <b>third-party employee contractors</b> in terms of labour and working conditions available?</p>	<p>Yes</p>	<p>The NFRA's grain procurement, storage, management, and distribution processes involve third parties such as Agricultural Marketing Cooperative Societies (AMCOS) and Savings and Credit Cooperative Societies (SACCOS). These third parties are supported by workers' organizations and trade unions that represent their interests, working conditions, and labour relations, in line with the Trade Unions Act (1998) and the Equal Opportunities Employment Act (CAP. 366 R.E 2019) which governs the establishment and functioning of unions in Tanzania.</p>
<p>(d) Has the company established a <b>grievance mechanism</b> for workers and third-party contract workers?</p>		<p>NFRA being a government agency it follows the Public Service Complaints and Feedback Systems that includes the feedback channels such as suggestion boxes, toll-free phone numbers, and online platforms for lodging grievances that covers the third-party contract workers. Moreover, the Public Service Complaints and Feedback Systems operates in the principles and procedures, such as impartiality, confidentiality, and timely resolution of complaints and easily accessible to all stakeholders which are in alignment with CRDB GRM and GCF IRM.</p>
<p>(e) Does the company provide its workers with a <b>safe and healthy work environment</b>?</p>	<p>Yes</p>	<p>NFRA workers are provided with PPE and supply of drinking water.</p>
<p>(f) Where applicable does the company provide workers with and mandating that workers to use <b>personal protective equipment (PPE)</b>?</p>	<p>Yes</p>	<p>Workers are provided with PPEs at the workplace.</p>
<p>(g) Does the company comply with <b>Occupational health and safety procedures</b>?</p>	<p>Yes</p>	<p>NFRA has OSHA workplace certificates for all eight (8) associated storage facilities and they are being audited by OSHA on regular basis as per the OSHA Act 2003 and The Occupational Safety and Health (General Administrative) Rules, 2015 Section 12 guidelines in relation to compliance with the Occupational Health and Safety procedures.</p>

<p>(h) Does the company track and report on rates of injury, occupational diseases, lost days, and number of work-related facilities? <b>Please provide recent data.</b></p>	<p>Yes</p>	<p>No incidents recorded over the past 2 years and as a government agency, NFRA is being audited by OSHA on regular basis as per the OSHA Act 2003 and The Occupational Safety and Health (General Administrative) Rules, 2015 Section 12 guidelines.</p>
<p>(i) Does the company have <b>training programs</b> in place for workers on Occupational health and safety?</p>	<p>Yes</p>	<p>NFRA does receive mandatory trainings on First Aid and SHE Reps from Occupational Safety and Health Authority.</p>
<p>(j) Is the company involved in <b>harmful child labour or forced labour</b> (Including supply chain for Agri-commodity clients)?</p>	<p>No</p>	<p>NFRA operations are under the Ministry of Agriculture and the Human Resources policy that is adopted as per The Employment and Labour Relation Act (CAP. 366 R.E. 2019) which under Part II Section 5 &amp; 6 strictly entails prohibition to Child and Forced Labour.</p> <p>Moreover, NFRA as a government agency strictly adhered to this as Tanzania is a signatory to international conventions such as the International Labour Organization (ILO) Conventions that prohibit child labour and forced labour which is cascaded and incorporated in the Employment and Labour Relation Act (CAP. 366 R.E. 2019).</p>
<p>(k) <b>Is the borrower engaged in a business or activity where workers on-site could potentially be seriously hurt or killed?</b> Examples of threats include working at heights, handling toxic chemicals, electrical shock, moving or lifting heavy loads, operating machinery, confined space entry, driving cars/trucks, etc.</p>	<p>Yes</p>	<p>The nature of the work has potentials hazards such as lifting heavy loads, however, there are Safety Procedures to follow, and adequate lifting tools are used to reduce over exhaustion of manpower.</p>



**Performance standards 3:**

“Resource Efficiency and Pollution Prevention.”

(a) Does the company implement measures for improving <b>efficiency in its consumption of energy, water, raw materials and other resources and inputs?</b>	Yes	The warehouses use electricity from TANESCO and rely on water from the regional water supply companies.  Moreover, there are no issues, incidents, non-compliances, exceedances, or complaints related to resource use (such as water and electricity).
(b) Does the company generate any air, liquid or solid waste emissions during construction and /or operational phases? If yes please provide details.	Yes	There are solid wastes (mainly torn storage bags) that are generated in storing of the cereals that are collected on site and transported to the disposal areas.  Moreover, grain purchased at buying centres is transported to the storage facilities, where it is inspected, cleaned, bagged in 90 kg bags, stacked, fumigated using fumigants and agrochemicals and then stored. Inspection in the warehouses is done regularly to ensure that its condition remains within specification and that it is not subject to pest and rodent attack. Responsibility for frequent inspections and taking the necessary corrective actions rests with the quality control staff.
(c) Is there procedure in place for monitoring air and water emissions. Please provide a copy of any effluent discharge permit issued by the local authorities.	N/A	The nature of activities does not involve emissions and hence no discharge permit required.
(d) Is the procedure to guide the storage, handling, and disposal of the solid wastes		The storage activities do not result into significant solid waste production and the waste produced are stored in on-site waste collection points and transferred to the waste disposal areas when the capacity is full.
(e) Are the diesel storage tanks fitted with secondary containment bunds?	N/A	There are no diesel storage tanks.



(f) Is there response procedure in place to manage spills or accidental discharge?	N/A	There are no diesel storage tanks.
<b>Performance Standard 4:</b> “Community Health, Safety, and Security.”		
(a) Are there local communities in close proximity to the company's facilities and does the company have procedure to address <b>community health, safety and security</b> issues in the context of its operations?	No	NFRA activities are in warehouses that are not in proximity with the local community and/or commercial structures which may be potentially impacted by the storage facility such as dust, noise/vibration, waste and wastewater discharges.
(b) Are safety procedures in place to deal with <b>hazardous material release, transport and disposal</b> to avoid or to minimize exposure of local communities to those materials?	Yes	NFRA uses of fumigants and agrochemicals during the fumigation process. These substances can be considered hazardous materials. Their release, transport, and disposal need to be managed carefully to prevent any harm to workers, the environment, and the stored grain.  To manage hazardous materials in storage facilities, NFRA does label and segregate of chemicals, conducts regular inspections, maintains adequate ventilation and all these practices help prevent accidents and ensure the safety of workers and the environment.

<p>(c) Are <b>armed security personnel</b> to provide security services at the facility available?</p>	<p>Yes</p>	<p>There are security personnel to guard the food reserve as the nature of the product inside is susceptible to theft.</p> <p>The security provider is SUMA JKT Guard Ltd (<a href="https://www.sumajktguard.co.tz/">https://www.sumajktguard.co.tz/</a>) who is an economic wing of Tanzania's National Service with whom are trained and qualified for the job.</p> <p>The SUMA JKT Guards in the associated warehouses are tasked with managing building access and safeguarding employees, visitors, and the public by patrolling premises and performing security inspections.</p>
<p>(d) Is there a <b>traffic management plan</b> for managing additional traffic associated with company's activities?</p>	<p>N/A</p>	<p>The activities involve procurement and storage of cereals.</p>
<p>(e) <b>Is the borrower engaged in a business or activity that has the potential to cause harm to a neighboring community?</b> If the borrower's activity uses harmful chemicals that could spill, could have a toxic air emission release, could explode or catch fire, is maintaining or will construct a dam, is employing security forces, is bringing in a large workforce from outside the community, etc. then this is possibly a risk/impact</p>	<p>No</p>	<p>The procurement and storage activities pose no threat to the neighbouring communities as the products once procured, they are put in storage and no interaction with the community in any means.</p>
<p><b>Performance standards 5:</b> "Land Acquisition and Involuntary Resettlement".</p>		

<p>(a) Is there any <b>involuntary land acquisition</b> planned/happened for/in the proposed investments?</p>	<p>No</p>	<p>NFRA operations involves the procurement and storage of cereals for enhancing food security in the country which does not involve involuntary land acquisition and the land where the facilities are found have low risk of involuntary land acquisition (has never occurred).</p> <p>Moreover, the land where NFRA is operating is legally owned by NFRA acquired through willing buyer-willing seller basis and issued with the certificate of occupancy (appended in all eight (8) ESIA's) by the Ministry of Lands, Housing and Human Settlements Developments with the land use designated for Warehouse Purposes, use group 'L' and Industrial Purposes use group 'M', use class (a) as defined in the Town and Country Planning (Use Classes) Regulation, 1960 as amended in 1993.</p>
<p>(b) Has there been any <b>physical and /or economic displacement</b> because of land acquisition for this project?</p>	<p>No</p>	<p>NFRA operations involves the procurement and storage of cereals for enhancing food security in the country with no physical and/or economic displacement involved.</p>
<p>(c) Has the <b>company disclosed all relevant information, consulted with affected persons and communities</b> and facilitated their informed participation in the decision-making process relating to resettlement?</p>	<p>N/A</p>	
<p>(d) Did the company consider <b>alternative design to avoid or minimize economic and physical displacement?</b></p>	<p>N/A</p>	

<p>(e) Has the borrower acquired land in the past 5 years or is the borrower planning to acquire land in the near future? If yes, did/does the borrower or a designated authority have the right to use lawful expropriation, even if a willing buyer-willing seller negotiation was/will be completed?</p> <p>If the borrower has not or will not be acquiring land in the near future, then this is a low risk.</p> <p>If the borrower has acquired land or plans to in the near future and they have access to expropriation the risk can be high.</p>	No	<p>NFRA operations involves the procurement and storage of cereals for enhancing food security in the country.</p> <p>Moreover, the land ownership of the current associated facilities is of more than five (5) years and all ownership documents have been attached in appendices of the ESIA reports.</p>
<p><b>Performance Standard 6:</b>  “Biodiversity Conservation and Sustainable Natural Resource Management”.</p>		
<p>(a) Does the company’s activities <b>impact on biodiversity?</b></p>	No	<p>NFRA operations involves the procurement and storage of cereals for enhancing food security in the country and has no impact on biodiversity.</p>
<p>(b) Does the business operate in a <b>legally protected area?</b> If Yes, confirm that the company has the requisite approvals to operate in such area.</p>	No	<p>NFRA activities are in warehouses that are not in a legally protected area.</p>

(c) Are there any biodiversity impacts associated with supply chain? (eg. Agri-commodity supply chain).	No	The NFRA in its operations does not have biodiversity impacts associated with value chain.
<p>(d) <b>Will the borrower's activities potentially impact biodiversity and/or ecosystem services?</b></p> <p>If the borrower will be clearing land for construction or is in or near a Provincial or National Park, Protected Area or ecologically sensitive area (e.g. swamp, mangrove, coral reef, forest, etc.) then there is a possibility that there will be impacts upon biodiversity or ecosystem services.</p> <p>If borrower activities will only take place within an existing facility or on land that has previously been cleared/converted, then the risk is low.</p>	No	<p>The NFRA in its operations does work with other intra-governmental agencies such as TFS and Ministry of Natural Resources and Tourism not to purchase from cereals from National Park, Protected Area or ecologically sensitive area.</p> <p>Moreover, NFRA activities are in warehouses that are not in or near a Provincial or National Park, Protected Area or ecologically sensitive area.</p>
<p><b>Performance standards 7:</b>  “Indigenous Peoples (IPs).”  IPs are communities or groups of people practicing unique traditions, and that retain social, cultural, economic and political characteristics that are distinct from those of the dominant society in which they live.</p>		
Are there any <b>Indigenous Peoples</b> (IPs) in the area of the borrower's activities?	No	There are no indigenous people in the vicinity of NFRA operating area in the Manyara, Njombe, Songwe, Ruvuma, Shinyanga, Katavi, Rukwa and Dodoma Regions.

Is it likely that <b>Indigenous people</b> will be adversely impacted because of the company's operations?	No	It is not likely as the indigenous people found in Tanzania are primarily hunter-gatherer and pastoralist communities whose activities are not linked with NFRA operations therefore no grains are procured from Indigenous people.
<b>Performance standards 8:</b> "Cultural Heritage".		
(a) Is the project/the borrowers activities located in/or near cultural heritage sites and structures (eg. Artefacts, archaeological sites, graves, and sacred forests) can be found?	No	None of the national identified cultural heritage resources by the Ministry of Natural Resources and Tourism, Antiquities Division Antiquities Sites (AD 2018) is located within the proposed storage facilities, and there are overall no known tangible and intangible cultural heritage sites within the facilities.
(b) Will the borrower commercially use cultural heritage?	No	The borrower only stocks cereals.
<b>FORESTRY/AGRICULTURE</b> <b>Is the borrower's primary business activity in the primary production or purchase of living natural resources, including natural and plantation forestry, agriculture, animal husbandry, aquaculture, or fisheries?</b>  If the borrower produces or purchases living commodities as part of its core business, then its' activities and/or supply chain has a risk of impacts to biodiversity.	No	The NFRA in its operations does promote sustainable agriculture that enhances the perpetuation of the production lines which also involves working with other intra-governmental agencies such as TFS and Ministry of Natural Resources and Tourism not to purchase from cereals from geographic area which is in or near to natural and/or critical habitats.

<p>(i) Is the primary production, certified and independently verified by a credible international, regional, or nationally recognized standard?</p> <p>If answer is no then high-risk.</p>	<p>Yes</p>	<p>The NFRA primary operations are part of the Ministry of Agriculture responsibilities that follows Tanzania Bureau of Standards (TBS) standards related to food storage, handling, and quality assurance of grains and other stored commodities.</p>
<p>(ii) (For Agri supply chain) Is the borrower purchasing primary agro-commodity production from a geographic area which is in or near to natural and/or critical habitats</p> <p>If answers is yes then high-risk.</p>	<p>No</p>	<p>The NFRA in its operations does promote sustainable Agri Supply chain of the production lines through inter linkage with other intra-governmental agencies such as Tanzania Forestry Services (TFS) agency and Ministry of Natural Resources and Tourism not to purchase from cereals from geographic area which is in or near to natural and/or critical habitats.</p>



### Section 3:

#### Conclusion of the Environmental & Social Risk Categorization.

#### 3.1 E&S Risk category

The Project is Category **B**

#### 3.2 Reason(s) for Categorization:

1. The project activities fall under type C category as stipulated in The Environmental Management Act (CAP. 191) in its Environmental Management (Environmental Impact Assessment and Audit) (Amendment) Regulations of 2018, as it involves the Post-harvest Storage for cereal crops, and
2. However, Based on International Financial Corporation (IFC), the corporation provides a list of categories according to the magnitude of E&S risks impacts and the mitigation measures in place and based on the ESDD assessment against the IFC PSs the project activities within the associated facilities is category B.

Conclusively, the environmental and social impacts resulting from NFRA operations are generally site-specific, largely reversible, and readily mitigatable as they exclusively involve procurement and storage of cereals. Furthermore, all potential negative impacts identified through ESDD could be mitigated to reduce severity and significance to acceptable levels or use of management controls. The associated negative impacts have been primarily minimized through best management practices, safety and contingencies procedures and practices. Implementing proposed mitigation measures would increase environmental soundness of the project. It is, therefore, concluded that, implementation of the procurement and storage of cereals will entail no deterrent impacts provided that recommended mitigation measures are adequately and timely put in place which makes the activities Medium (Category B).

#### 3.3 Complete the following:

	Yes/No/NA	Additional Information/Status/Remarks
<b>EIA certificate</b> from NEMC available? (Attach a copy-with its general and specific conditions.	Yes	NFRA has EIA certificates for the eight associated storage facilities they operate in which they now require funds to procure cereals and store them in.
<b>OSHA certificate</b> available? (Attach with conditions if any).	Yes	NFRA has OSHA certificates for the eight associated storage facilities they operate in which they now require funds to procure cereals and store them in.
<b>EIA reports</b> available. (attach with EMP/ESMP Section)	Yes	The issuance of the EIA certificate is a result of submission of the ESIA report to NEMC and the reports are available for the eight associated storage facilities.
Does a project have a <b>free prior informed consent</b> from surrounding community?	Yes	<b>This is a mandatory step before being issues with the EIA certificate.</b>

## Conclusion:

The environmental and social impacts resulting from NFRA operations are generally site-specific, largely reversible, and readily mitigatable as they exclusively involve procurement and storage of cereals. Furthermore, all potential negative impacts identified through ESDD could be mitigated to reduce severity and significance to acceptable levels or use of management controls. The associated negative impacts have been primarily minimized through best management practices, safety and contingencies procedures and practices. Implementing proposed mitigation measures would increase environmental soundness of the project. It is, therefore, concluded that, implementation of the procurement and storage of cereals will entail no deterrent impacts provided that recommended mitigation measures are adequately and timely put in place.

Therefore, this assessment underscores the importance of continuous engagement, adaptive management systems, and proactive risk mitigation to ensure sustainable project outcomes as NFRA operations that involves the post-harvest storing of cereal crops which combats post-harvest losses. The project has been assessed against IFC Performance Standards (PS) 1-4, focusing on Assessment and Management of Environmental and Social Risks and Impacts (PS 1), Labour and Working Conditions (PS 2), Resource Efficiency and Pollution Prevention (PS 3), and Community Health, Safety, and Security (PS 4). The findings indicate that while the project aligns with some requirements, there are specific areas requiring additional attention to fully comply with both national and international standards (PS 1-8).

For IFC PS 1, NFRA adopts Environmental and Social Management System (ESMS) of the Ministry of Agriculture in Tanzania which is designed to integrate environmental and social considerations into agricultural projects to ensure sustainability. It involves identifying and assessing environmental and social risks, implementing mitigation measures, and continuously monitoring the impacts of agricultural activities. The ESMS emphasizes stakeholder engagement, particularly with local communities, and builds the capacity of relevant stakeholders to implement environmental and social safeguards. It also ensures compliance with national and international regulations, aiming to minimize negative impacts on the environment and society while promoting sustainable agricultural practices, moreover, regarding the assessment of the procuring, storing/managing, and distributing the grains by NFRA, it should be noted that NFRA ensures fair compensation to farmers by setting minimum prices for certain crops, such as maize, during the harvest season. This prevents exploitation by middlemen and helps farmers avoid selling at a loss. Additionally, the NFRA ensures timely payments to farmers after their grain is purchased, improving their cash flow and enabling them to meet financial commitments and prepare for the next planting season. To streamline the purchasing process and minimize logistical barriers, the NFRA has established regional and district-level procurement offices, ensuring that farmers are not exploited by distant traders and NFRA does inform stakeholders on all activities through its website [Mwanzo |Wakala wa Taifa wa Hifadhi ya Chakula](#) and throughout the offices and NFRA engages with stakeholders through a variety of channels, including consultations, partnerships, public awareness campaigns, and feedback mechanisms. This ensures that the food reserve system is effective, transparent, and responsive to the needs of the people, as well as the broader goals of national food security.

Stakeholder engagement is integral to NFRA's ability to manage food reserves efficiently and respond to food emergencies in Tanzania. Moreover, at site level, each warehouse has got a Crop Quality Manager and Stores Manager who oversee the quality of cereals on daily basis and ensure the E&S stewardship of the facilities through activities such as daily cleaning activities and proper handling of all other E&S issues who are also guided by the Environmental Management Unit of the Ministry of Agriculture.

In terms of Labour and working conditions the NFRA adheres to Tanzania's legal frameworks designed to promote fairness and protect workers' rights. These include anti-discrimination and equal opportunity policies that prevent bias based on race, gender, disability, and sexual orientation, ensuring inclusive practices in hiring and promotion. The NFRA also follows national laws (which are aligned with programme ESMF and GCF ESS/IFC PS 2 requirements), such as the Sexual Offences (Special Provisions) Act of Tanzania, CAP 16, to address and prevent sexual exploitation, abuse, and harassment (SEAH) in the workplace. Furthermore, the agency complies with international standards and national regulations prohibiting child labour and forced labour, as outlined in the Employment and Labour Relations Act. Workers within the NFRA are supported by trade unions that advocate for their rights, working conditions, and labour relations, all in alignment with the Trade Unions Act, ensuring that employees' voices are heard and protected. Additionally, the Tanzanian government issued national guidelines for handling complaints in public services in 2012 [sw-1694594259-MWONGOZO WA USHUGHULIKIAJI WA MREJESHO WA WANANCHI KUHUSU HUDUMA ZINAZOTOLEWA NA SERIKALI-2023.pdf](#), the Public Service Complaints and Feedback Systems operates in the principles and procedures, such as impartiality, confidentiality, and timely resolution of complaints and easily accessible to all stakeholders which are in alignment with CRDB GRM and GCF IRM.

For resource efficiency and pollution prevention, there are no issues, incidents, non-compliances, exceedances, or complaints related to resource use (such as water and electricity), waste generation, or chemical waste management in the storage facilities. Additionally, there have been no concerns regarding dust, noise, or vibration. Storage activities comply with relevant practices, with regular inspections ensuring grain conditions meet specifications and are free from pests. Waste, including torn storage bags, is properly managed and disposed of, and no emissions are involved, eliminating the need for discharge permits. Therefore, no complaints or incidents have been reported regarding these environmental aspects, demonstrating the effectiveness of the current management practices and the commitment to maintaining high environmental standards. Regular monitoring and adherence to best practices ensure that the storage facilities operate efficiently and sustainably.

In the aspect of community health, safety and security NFRA activities are in warehouses that are not in proximity with the local community or commercial activities which may be potentially impacted by the storage facility such as dust, noise/vibration, waste and wastewater discharges. However, NFRA uses fumigants during the fumigation process. These substances can be considered hazardous materials. Their release, transport, and disposal need to be managed carefully to prevent any harm to workers, the environment, and the stored grain and to manage hazardous materials in storage facilities, NFRA does label and segregate of chemicals, conducts regular inspections, maintains adequate ventilation and all these practices help prevent accidents and ensure the safety of workers and the environment.

Additionally, security personnel are stationed to protect the food reserve due to the high risk of theft associated with the products stored inside. The security services are provided by SUMA JKT (<https://www.sumajktguard.co.tz/>), an economic wing of Tanzania's National Service, whose staff are professionally trained and qualified for the role. The SUMA JKT Guards in the associated warehouses are tasked with managing building access and safeguarding employees, visitors, and the public by patrolling premises and performing security inspections.

But because there are warehouses and storage facilities that are associated with the activity the bank has found it prudent to further confirm the availability of the EIA certificates to verify that the compliance with the national laws and confirm the nature, scale, and, location of storage facilities which are considered as associated facilities (GCF proceeds will not be used to construct new or expand existing storage facilities and/or expansion of the existing transportation fleet) with the certificates providing conditions laid out by NEMC to NFRA so as to among other conditions account for E&S management plan for mitigating potential E&S risks identified. The certificates account for the 8 regions that NFRA wants to procure and store cereals from the GCF proceeds namely, Manyara, Katavi, Songwe, Shinyanga, Ruvuma, Dodoma, Njombe and Rukwa Regions and as per the ESIA Reports of these storage facilities, all storage facilities are in industrial areas and with baseline information incorporated in the report.

Moreover, NFRA currently has in place mitigation measures such that NFRA is governed by the Ministry of Agriculture which has an Environmental Management Unit that oversees the Environmental Management Systems, it is governed in its operations by The Employment and Labour Relation Act (CAP. 366 R.E. 2019) which enhances the labour and working conditions, in terms of resource efficiency and pollution prevention NFRA does use electricity from TANESCO and rely on water from the regional water supply companies and has minimal waste production as the waste in the storage facilities are mainly torn carrying bags, moreover, the procurement and storage activities pose no threat to the neighbouring communities as the products once procured, they are put in storage and no interaction with the community in any means as the associated eight (8) storage facilities are strategically located in areas that are designated for industrial purposes.

### **Recommendations:**

#### **1. Strengthen Environmental and Social Management Systems (PS 1)**

To align with IFC Performance Standard 1, NFRA should enhance its Environmental and Social Management System (ESMS) by regular visual inspections and manual sampling that can be effective for monitoring grain quality and environmental conditions to better assess and manage environmental risks. Strengthening training programs for Crop Quality Managers and Stores Managers on the latest environmental and safety standards will ensure higher compliance and operational efficiency. Fostering stronger collaborations with intra-governmental agencies, such as the Fire and Rescue Force and other security forces, will further bolster NFRA's ability to respond effectively to emergencies. By implementing these measures, NFRA can ensure the safety, quality, and sustainability of its grain storage and distribution operations, in line with IFC Performance Standard 1 and to align the grievance redress mechanism to all stakeholders which includes CRDB Bank Plc GRM and GCF IRM.

## 2. Enhance Labour Practices (PS 2)

To avoid potential risks related to labour and working conditions, the NFRA should enhance awareness and training by conducting regular sessions for employees, managers, and third-party contractors on anti-discrimination, sexual exploitation, abuse, and harassment (SEAH) policies, ensuring full understanding and compliance. These training sessions should be updated periodically to address emerging challenges. Strengthening internal monitoring mechanisms is also crucial, with regular audits and inspections to ensure adherence to labour laws, particularly regarding child labour, forced labour, and equal opportunities.

Additionally, the NFRA should continue supporting workers' organizations and trade unions to empower employees to raise concerns without fear of retaliation, while creating transparent and accessible grievance mechanisms for prompt resolution of labour issues. It is also important for the agency to periodically review and update its internal policies to stay aligned with changes in national and international labour standards, including those concerning anti-discrimination, SEAH, child labour, and forced labour. Furthermore, ensuring clear, anonymous, and safe reporting channels for employees to report violations will help safeguard their rights and mitigate risks.

Finally, collaboration with external stakeholders such as labour rights organizations, government bodies, and international institutions will provide valuable insights into best practices, helping the NFRA to improve workplace conditions and minimize labour-related risks. By implementing these measures, the NFRA can foster a safer, fairer, and more inclusive working environment for all employees.

## 3. Promote Resource Efficiency and Pollution Prevention (PS 3)

To further improve and maintain its high environmental standards, NFRA could consider implementing continuous monitoring systems for resource efficiency, waste management, and environmental impact, which would help proactively detect potential issues before they arise. This could include tracking water and energy consumption, as well as waste generation and disposal. Regular audits of chemical handling and storage practices could also ensure that best practices are consistently followed. Additionally, NFRA could invest in staff training and awareness programs to ensure that employees are well-versed in up-to-date environmental regulations and sustainable practices, fostering a culture of environmental stewardship. Continuing to engage with stakeholders, including local communities and regulatory bodies, would also enhance transparency and ensure the ongoing commitment to sustainability and pollution prevention.

## 4. Safeguard Community Health and Safety (PS 4)

While NFRA has implemented several safety measures, such as labelling, segregating chemicals, conducting regular inspections, and maintaining adequate ventilation during fumigation, it is recommended to enhance the monitoring of fumigants to avoid release of hazardous substances into the atmosphere. Additionally, NFRA could benefit from community engagement and awareness programs to educate local populations about the risks of fumigation and the safety measures in place, even if the warehouses are not near local communities. Further improvement of wastewater treatment protocols and sustainable waste disposal systems should be considered, along with regular environmental audits to mitigate any potential risks. Lastly, NFRA should maintain comprehensive emergency response plans for handling hazardous materials to ensure the safety of workers, the environment, and surrounding areas.

The adoption of these recommendations will enable NFRA to mitigate risks and ensure long-term environmental and social sustainability in its operations and broaden the NFRA's Environmental and Social performance at a national scale with whom it its operations does enhance the food security concern in Tanzania and to effectively monitor E&S performance and compliance, CRDB Bank Plc conducted due diligence and will regularly report, inspect sites, engage stakeholder and develop a clear framework for corrective actions such that bank will be aware and timely informed that NFRA meets environmental sustainability goals and social responsibility standards, ultimately contributing to the success and sustainability of the GCF financing.



## Action Plan

S/No	Action	Objective	Deliverable	Responsibility	Timeline
1	NFRA to address all grievances raised by all stakeholders and report all grievances recorded to CRDB Bank Plc.	To align NFRA Grievance Redressal Mechanism with the CRDB Bank Plc GRM and GCF IRM.	All raised grievances from all stakeholders have been resolved and communicated through the relevant mechanisms (NFRA GRM, CRDB Bank GRM, and GCF IRM) and disseminated to stakeholders.	NFRA	Ongoing throughout lifetime of the facility.
2	Conducting stakeholder engagements to all stakeholders.	Implementation of a stakeholder engagement plan to ensure all stakeholder are informed and concerns are considered.	Consultations, partnerships, public awareness campaigns, and feedback mechanisms.	NFRA (EE) and CRDB Bank Plc (AE)	Ongoing throughout lifetime of the facility.
3	NFRA to report any incidents at the workplace and implement safety procedures.	To track and report on rates of injury, occupational diseases, lost days, and number of work-related facilities.	Incident reports.	NFRA	Ongoing throughout lifetime of the facility.
4	NFRA to continually train the workforce on health and safety procedures.	To equip the workforce with essential health and safety knowledge.	Training with OSHA on First Aid.	NFRA	Ongoing throughout lifetime of the facility.
5	NFRA to manage all wastes resulting from the storage activities.	Pollution control and waste management approach to minimize environmental impacts that could result from scattering of solid wastes.	Waste collection on site at all associated facilities.	NFRA	Ongoing throughout lifetime of the facility.
6	NFRA to have an Emergency Response Plan.	To have a proactive plan to deal with emergency situations.	Alignment with the local government authorities, Fire and Rescue Force and the Police Force in the vicinity of the associated facilities.	NFRA	Ongoing throughout lifetime of the facility.



7	NFRA to maintain all relevant permits.	To observe national and international laws and regulations.	Up-to-date compliance certificates/permits.	NFRA	Ongoing throughout lifetime of the facility.
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