



Environmental & Social Due Diligence (ESDD) for the subproject to support construction of a milling plant for maize value addition to enhance food security.

Part I: GENERAL INFORMATION		
Sub-Project name: Construction of a milling plant for maize value addition to enhance food security.	Client/Customer Number:	Sector: Agriculture - Agro-processor
Location of the Project: Plot NO. 6 Block A, Kwa Sadala Village, Masama Kusini Ward, Hai District Council, Kilimanjaro Region.	Contacts: P.O. Box 22, HAI – KILIMANJARO	Facility Type and Amount: Term Loan –. TZS 6,500,000,000 (TZS 6.5 billion) equivalent to USD 2,416,851.03 Million) (1USD= TZS 2689.45/=).
Branch: Hai Branch	Responsible RM/MCO/MBB/CA: Hamid MWIKOMBE	
Prepared/Updated by: Joseph ISHIMWE		Date: 29 May 2025
Brief Project Description: <p>The Sub-project is a proposed large-scale maize flour production facility to be established in Masama ward, Hai District, Arusha in Tanzania. Its goal is to meet the rising demand for high-quality, affordable maize flour in the region and Tanzania at large. There is a significant demand for maize flour in Tanzania as maize is a staple food for a large portion of the population and a key part of daily nutrition. Increasing the production and quality of maize flour will help enhance food security, reduce poverty, and stimulate economic growth in rural areas and the country at large. This aligns closely with the financial purpose of the FP 179 TACATDP, which aims to boost the production of key crops, strengthen agricultural market systems, and support smallholder farmers to increase their productivity and incomes sustainably.</p> <p>Sub-project seeks financial support from the bank to construct a milling plant for production of maize flour, a key food staple in Tanzania. The allocated funds will be used for raw material procurement and construction of the project facilities as they are needed as part of the industry establishment.</p>		

To ensure regulatory compliance, the bank has mandated verification of Environmental Impact Assessment (EIA) certificates issued by the National Environment Management Council (NEMC). These certificates confirm adherence to national laws and provide details on the scale, location, and nature of associated storage facilities. The EIA stipulates conditions for Sub-project, including alignment with national environmental and social frameworks, mitigation of potential risks, implementation of impact reduction measures, demonstration of environmental and social management capacity, emergency preparedness protocols, and ongoing monitoring and reporting obligations.

The requested facilities shall be channelled under FP 179 TACATDP funding and will serve as term loan for the proposed construction activities at Sub-project's Masama ward milling plant. The project's feasibility and environmental sustainability were validated through an Environmental and Social Impact Assessment (ESIA), which concluded that the proposed operations have manageable, site-specific impacts supported by comprehensive baseline data. As such, the project has received regulatory approval, confirming its alignment with Tanzania's environmental and social safeguards which affirms that Sub-project's funding request complies with GCF requirements and national regulations, ensuring sustainable and legally sound project execution.

Moreover, the mill is designed to serve as a socially and environmentally responsible business, with a strong commitment to promoting climate adaptation and reducing the nation's dependency on food imports. In line with Tanzania's Agricultural Sector Development Programme II and the United Nations Sustainable Development Goals (SDGs), specifically SDG 2 (Zero Hunger) and SDG 13 (Climate Action), the business will adopt climate-smart practices to improve food security and contribute to the country's sustainable development as well as encourage local farming of maize in the long run.

		Yes/No/NA	Additional information
Exclusion List	Does the activity falls under the Exclusion List? <i>Refer annex 1 of ENVIRONMENTAL & SOCIAL MANAGEMENT PROCEDURES</i> If Yes , reject the application If No – Proceed to the process in Part II through to part III	NO	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 activities that require an Environmental and Social Impact Assessment 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 construction of a milling plant for value addition.

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>
Performance standards 1: "Assessment and Management of Environmental and Social Risks and impacts."		
(a) E&S policy/Management System available?	Yes	Sub-project has an approved Environmental and Social Management Plan (ESMP) designed to integrate sustainability into every aspect of its milling operations. This comprehensive plan outlines clear mitigation measures and assigns responsibilities to ensure effective implementation. The ESMP focuses on identifying and assessing potential environmental and social risks associated with the milling process, establishing strategies to minimize negative impacts, and setting up a continuous monitoring system to evaluate outcomes. Central to the plan is active stakeholder engagement, particularly with local communities, to ensure transparency, inclusivity, and local ownership of environmental and social safeguards. It also includes capacity-building initiatives for stakeholders involved in the implementation of these safeguards. By aligning with both national and international regulatory standards, the ESMP ensures that Sub-project operates in a socially responsible and environmentally sustainable manner while supporting broader goals such as sustainable agricultural practices and community development.
(b) Is the system/procedure in place to identify, assess and manage the potential E&S risks and impacts?	Yes	Sub-project has an Environmental and Social Management Plan that stipulates potential E&S risks and impacts and they are to be managed and also as part of compliance, sub-project work hand in hand with intergovernmental authority such as National Environment Management Council (NEMC), Prime Minister's Office - Labour, Youth, Employment and Persons with Disability, Occupational Safety and Health Agency (OSHA), and Local Government authorities.

(c) Is E&S Officer for managing E&S issues available?	Yes	<p>The E&S issues in Sub-project operations will be overseen by a designated HSE personnel who will also be assisted by a contracted and certified EIA/EA consultancy firm (Resources Insight Consultancy)</p> <p>Moreover, at site level, the HSE will be assisted by trained SHE Reps and OSHA shall conduct regular training to the workforce on safe working practices.</p>
(d) Is the procedure in place to engage with local communities (eg. grievance mechanism, stakeholder engagement plan) to address community grievance?	Yes	<p>Sub-project being a limited company is subjected to follow a set feedback and complaints mechanisms that will include the feedback channels such as suggestion boxes, customer service desk, phone numbers, and online platform (website) for lodging grievances.</p> <p>The existing feedback and complaint system in limited companies in the United Republic of Tanzania 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 as all captured feedback and complaints are escalated to relevant regulatory such as the Fair Competition Commission (FCC) and Tanzania Union of Industrial and Commercial Workers (TUICO).</p>
(e) Does the company have the emergence response Plan?	Yes	<p>Sub-project activities require the minimal of emergency response plan for cases such as theft and disasters such that the premises 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>However, the company has an emergency response plan (embedded exclusively in the ESIA Report) in place that will involve Fire extinguishers, First Aid Kit, Safety signages and Personal Protective Equipment that will enable Sub-project to respond adequately in case of emergencies.</p>

Performance standards 2:

“Labour and Working Conditions.”

(a) How many employees does the company have?	Sub-project is looking to create around 20 contracted and casual labour, in which (15) are male and (5) women. The employment is based with renewable terms and provided with annual leave of 28 days, sick leave and maternity leave as subject to Section 31-34 of the Employment and Labour Relation Act (CAP. 366 R.E. 2019).	
(b) Is Human Resource (HR) Policy available? (that is consistent with the requirements of national labour laws)	Yes	<p>Sub-project is committed to human resources policy that is adopted and developed as per the Employment and Labour Relation Act (CAP. 366 R.E. 2019).</p> <p>Sub-project 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 Sub-project, to ensure non-discriminatory practices in hiring, promotion, and workplace treatment.</p>
(c) Are policies and procedures for managing and monitoring the performance of third-party employee contractors in terms of labour and working conditions available?	Yes	The Sub-project’s construction processes will involve third parties (contractors). These third parties are crucial as due to the nature of construction activities.

(d) Has the company established a grievance mechanism for workers and third-party contract workers?	Yes	<p>Sub-project being a limited company follows a set feedback and complaints mechanisms that includes the feedback channels such as suggestion boxes, customer service desk, toll-free phone numbers, and online platform (website) for lodging grievances that covers the third-party contract workers.</p> <p>The existing feedback and complaint system 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 as all captured feedback and complaints are escalated to relevant regulatory such as the Fair Competition Commission (FCC).</p>
(e) Does the company provide its workers with a safe and healthy work environment ?	Yes	Sub-project workers are provided with PPE and supply of drinking water. Moreover, to ensure a safe and healthy working environment, there are regular breaks, changing rooms and sufficient lavatories as stipulated in the OSHA Act.
(f) Where applicable does the company provide workers with and mandating that workers to use personal protective equipment (PPE) ?	Yes	Workers are provided with PPEs at the workplace at all times.
(g) Does the company comply with Occupational health and safety procedures ?	Yes	Sub-project has OSHA workplace compliance certificate and 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.
(h) Does the company track and report on rates of injury, occupational diseases, lost days, and number of work-related facilities? Please provide recent data.	Yes	No incidents recorded over the past 2 years, Sub-project 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.

(i) Does the company have training programs in place for workers on Occupational health and safety?	Yes	Sub-project does receive mandatory trainings on First Aid and SHE Reps from Occupational Safety and Health Authority.
(j) Is the company involved in harmful child labour or forced labour (Including supply chain for Agri-commodity clients)?	No	<p>Sub-project operations are governed by a 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 & 6 strictly entails prohibition to Child and Forced Labour.</p> <p>Moreover, Sub-project as a listed company 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>
(k) Is the borrower engaged in a business or activity where workers on-site could potentially be seriously hurt or killed? 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.	Yes	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 to be used to reduce over exhaustion of manpower.

Performance standards 3:

“Resource Efficiency and Pollution Prevention.”

(a) Does the company implement measures for improving efficiency in its consumption of energy, water, raw materials and other resources and inputs?	Yes	<p>The milling plant will use electricity from TANESCO and rely on water from a drilled borehole with associated 5000 litres storage tanks.</p> <p>Moreover, the raw materials for production are maize that will be purchased from small holder's farmers, farmers group and farmers associations at various targeted locations of Tanzania mainly along SAGCOT area covering Kilimanjaro, Dodoma, Tanga and Iringa.</p>
(b) Does the company generate any air, liquid or solid waste emissions during construction and /or operational phases? If yes please provide details.	Yes	<p>During proposed project operation solid waste that will be generated include, grain crushed, and powder waste, plastic bags, papers, and others associate with plant production on-site.</p> <p>Crushed and powder from grains is a beneficial waste as it is treasured by poultry feeds and crop farmers as a fertilizer whereas Sub-project has installed a feed production unit where all the wastes is captured and recycled to be poultry feeds.</p> <p>Other wastes are domestic wastes such as food and general wastes, and office wastes including paper, cardboard, and printer cartridges/ribbons and human sewage.</p>

<p>(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.</p>	<p>Yes</p>	<p>Wastewater that will be generated by the project is due to such activities as facilities cleaning as well as domestic activities. In addition to sweeping grain sheds to remove litter, they shall be washed in order that any residual materials are removed. The process will lead to washdown water containing very small amounts of organic matter and microbes.</p> <p>No direct discharge shall be made into environment instead all water resulting from the washing down of the milling plant houses or silo will be passed over fine mesh screens to remove solid particles which will then be used for poultry feed or composted for fertilizer, the remaining water will be processed through a septic tank system on the site to breakdown any organic matter and then released into a soak pit.</p> <p>Similarly, all wastewater from processing halls and domestic activities (staff housing and cottages) shall be handled through septic tanks with soak away pits and later on disposed to designated oxidation ponds. Moreover, storm water from roof tops shall be directed towards the installed septic tanks and not directly into the surrounding environment.</p>
<p>(d) Is the procedure to guide the storage, handling, and disposal of the solid wastes</p>		<p>The main wastes produced from the mill plant are organic matters such as maize residues (pumba) from sieves i.e. impurities smaller or larger and they cannot cause significant hazards to human health or the environment when properly managed. Wastes from grain processing are considered to be non-hazardous wastes and with the installed recycling section, the solid wastes are properly handled and re use as poultry feed.</p>
<p>(e) Are the diesel storage tanks fitted with secondary containment bunds?</p>	<p>N/A</p>	<p>There are no diesel storage tanks.</p>
<p>(f) Is there response procedure in place to manage spills or accidental discharge?</p>	<p>N/A</p>	<p>There are no diesel storage tanks.</p>

Performance Standard 4:**"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 community health, safety and security issues in the context of its operations?	No	Sub-project activities are in proximity with the local community who will positively be impacted by the milling plant through job creation and is in alignment as stipulated by the village and ward office during consultation that are aimed at improving the livelihoods of the local communities and ensure the implementation of the Small and Medium Enterprises Development Policy (2003) whose overall objective is to foster job creation and income generation through promoting the creation of new SMEs and improve the performance and competitiveness of the existing ones to increase their participation and contribution to the Tanzania economy.
(b) Are safety procedures in place to deal with hazardous material release, transport and disposal to avoid or to minimize exposure of local communities to those materials?	N/A	<p>There is no use of hazardous substances in the milling operations.</p> <p>However, during the construction phase the Project Manager is mandated to ensure health and safety issues to workers during construction by enforcing the use of Personal Protective Equipment's (PPEs) to all workers, this has also been emphasized through stakeholder engagement with the local government and OSHA.</p>
(c) Are armed security personnel to provide security services at the facility available?	Yes	There are plans to have security personnel to guard the premises, who will generally be present to allow access and egress from the premises.
(d) Is there a traffic management plan for managing additional traffic associated with company's activities?	N/A	<p>Sub-project proposed operations will involve the construction and then later procurement and milling of cereals for value addition and in turn enhancing food security in the country.</p> <p>However, there is proposed separate access and egress for vehicle offloading raw materials and those loading packed maize flour bags to avoid vehicle collision as well as pedestrian interactions.</p>

<p>(e) Is the borrower engaged in a business or activity that has the potential to cause harm to a neighboring community?</p> <p>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>	No	<p>The procurement and milling activities pose no threat to the neighbouring communities as the products once procured, they are milled in a closed system plant and no interaction with the community in any means.</p>
<p>Performance standards 5: “Land Acquisition and Involuntary Resettlement”.</p>		
<p>(a) Is there any involuntary land acquisition planned/happened for/in the proposed investments?</p>	No	<p>Sub-project proposed operations will involve the construction and then later procurement and milling of cereals for value addition and in turn enhancing food security in the country which does not involve involuntary land acquisition and the land where the milling plant is found have low risk of involuntary land acquisition (has never occurred).</p> <p>Moreover, the land where Sub-project is operating is legally owned by Sub-project acquired through willing buyer-willing seller basis and issued with the certificate of occupancy by the Ministry of Lands, Housing and Human Settlements Developments with the land use designated for Commercial Purposes, use group ‘B’, use classes (d) & (e) as defined in the Town and Country Planning (Use Classes) Regulation, 1960 as amended in 1993.</p>

(b) Has there been any physical and /or economic displacement because of land acquisition for this project?	No	Sub-project proposed operations will involve the construction and then later procurement and milling of cereals for value addition and in turn enhancing food security in the country with no physical and/or economic displacement involved.
(c) Has the company disclosed all relevant information, consulted with affected persons and communities and facilitated their informed participation in the decision-making process relating to resettlement?	N/A	There are no affected persons and communities.
(d) Did the company consider alternative design to avoid or minimize economic and physical displacement?	N/A	The project execution was the most feasible one, as it has minimal impacts with no economic and physical displacement.

<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>Sub-project proposed operations will involve the construction and then later procurement and milling of cereals for value addition and in turn enhancing food security in the country.</p> <p>Moreover, the land ownership of the current associated facilities is of more than five (5) years.</p>
<p>Performance Standard 6: “Biodiversity Conservation and Sustainable Natural Resource Management”.</p>		
<p>(a) Does the company’s activities impact on biodiversity?</p>	No	<p>Sub-project operations involves the procurement and milling of cereals for value addition and enhancing food security in the country and has no impact on biodiversity.</p>
<p>(b) Does the business operate in a legally protected area? If Yes, confirm that the company has the requisite approvals to operate in such area.</p>	No	<p>Sub-project activities of the proposed milling plant 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 Sub-project in its operations does not have biodiversity impacts associated with value chain.
<p>(d) Will the borrower's activities potentially impact biodiversity and/or ecosystem services?</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 Sub-project in its operations does work with other intra-governmental agencies such as TFS and Ministry of Natural Resources and Tourism and Executive Director's Office: District Planning Office, District Land and Natural Resources and Environment department not to purchase and source construction materials (during pre-construction and construction phase) as well as maize cereals (during operation phase) from National Parks, Protected Area or ecologically sensitive area.</p> <p>Moreover, Sub-project activities will involve a milling plant that are not in or near a Provincial or National Park, Protected Area or ecologically sensitive area.</p>
<p>Performance standards 7: "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 Indigenous Peoples (IPs) in the area of the borrower's activities?	No	There are no indigenous people in the vicinity of Sub-project operating area in Plot NO. 6 Block A, Kwa Sadala Village, Masama Kusini Ward, Hai District Council, Kilimanjaro Region.

Is it likely that Indigenous people 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 Sub-project operations therefore no construction materials (during pre-construction and construction phase) as well as maize cereals (during operation phase) is procured from Indigenous people.
Performance standards 8: "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 Tourism and Heritage of the United Republic of Tanzania, Antiquities Division Antiquities Sites (AD 2018) is located within the proposed milling plant, and there are overall no known tangible and intangible cultural heritage sites within the proposed site.
(b) Will the borrower commercially use cultural heritage?	No	The borrower will construct a milling plant to only mill maize so as to add value and enhance food security.

<p>FORESTRY/AGRICULTURE 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?</p> <p>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.</p>	No	<p>The Sub-project in its operations does promote sustainable agriculture that enhances the perpetuation of the production lines which also involves working in consultation with governmental agencies such as TFS and Ministry of Natural Resources and Tourism and Executive Director's Office: District Planning Office, District Land and Natural Resources and Environment department not to purchase and source construction materials (during pre-construction and construction phase) as well as maize cereals (during operation phase) from geographic area which is in or near to natural and/or critical habitats.</p>
<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>	Yes	<p>The Sub-project is a registered company as per the Tanzania Companies Act, 2002, with the Business Registrations and Licensing Agency (BRELA) whose activities follow Tanzania Bureau of Standards (TBS) related to food storage, handling, and quality assurance of maize 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>	No	<p>The Sub-project in its operations does promote sustainable Agri Supply chain of the production lines through inter linkage governmental agencies such as Vice President's Office (Division of Environment), Ministry of Industries and Business, National Environment Management Council (NEMC) and Executive Director's Office: District Planning Office, District Land and Natural Resources and Environment department not to purchase and source construction materials (during pre-construction and construction phase) as well as maize cereals (during operation phase) from geographic area which is in or near to natural and/or critical habitats.</p>
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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 activities that require an Environmental and Social Impact Assessment 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 construction of a milling plant for value addition, and

2. Based on International Finance 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 facility are category B.

Conclusively, the environmental and social impacts resulting from Sub-project operations are generally site-specific, largely reversible, and readily mitigatable as they involve construction of a milling plant in a designated industrial plot with approved building permit and ESIA report that has incorporated all the Environmental and Social Management Plans. 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 construction of the plant will entail no deterrent impacts provided that recommended mitigation measures are adequately and timely put in place which makes the activities medium risks (Category B).

3.3 Complete the following:

	Yes/No/NA	Additional Information/Status/Remarks
EIA certificate from NEMC available? (Attach a copy-with its general and specific conditions.	Yes	Sub-project has submitted the EIA report, subject to certificate for the construction of the milling plant in which they now require funds construct so as to add value and enhance food security in Arusha and Tanzania at large.
OSHA certificate available? (Attach with conditions if any).	Yes	Sub-project has OSHA certificates issued by the Occupational Safety and Health Agency, which operates under the Prime Minister's Office (Labour, Youth, Employment and Persons with Disability) for the construction of the milling plant.

EIA reports 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 proposed establishment of the milling facility.
Does a project have a free prior informed consent from surrounding community?	Yes	This is a mandatory step before being issued with the EIA certificate.

Conclusion:

The assessment emphasizes the critical role of continuous engagement, adaptive management systems, and proactive risk mitigation in achieving sustainable outcomes for Sub-project's value-added operations aimed at addressing food security challenges. The project has been assessed against the national standards and 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 requirements, there are specific areas requiring additional attention to fully comply with both national and international standards (PS 1-8).

Sub-project has established a robust Environmental and Social Management Plan (ESMP) that aligns closely with the requirements of IFC Performance Standard 1 (PS1) on the Assessment and Management of Environmental and Social Risks and Impacts. The ESMP is designed to integrate sustainability into every aspect of the company's operations by clearly outlining mitigation measures, assigning responsibilities, and establishing a system for continuous monitoring and evaluation. It proactively identifies potential environmental and social risks, sets out strategies to minimize negative impacts, and promotes sustainable practices. Central to the ESMP is the commitment to inclusive stakeholder engagement, particularly with local communities, to foster transparency, build trust, and ensure that environmental and social safeguards are locally owned and effectively implemented.

In support of national regulatory compliance, Sub-project works closely with key governmental and intergovernmental authorities, including the National Environment Management Council (NEMC), OSHA, and local government bodies. Oversight of environmental, health, and safety (EHS) issues is to be managed by a designated Health, Safety, and Environment (HSE) officer, who is supported by a certified Environmental Impact Assessment/Environmental Audit (EIA/EA) consultancy firm. At the site level, trained Safety, Health, and Environment (SHE) representatives and routine training from OSHA will ensure safe working practices are maintained. These structures demonstrate Sub-project's institutional capacity and commitment to managing E&S risks in a responsible and professional manner.

Additionally, the company has implemented an accessible and well-structured grievance redress mechanism (GRM), reflecting the principles of impartiality, confidentiality, and timely resolution. This system includes multiple feedback channels such as suggestion boxes, a customer service desk, phone contacts, and an online platform ensuring that all stakeholders, including workers and community members, can raise concerns. Complaints are escalated as necessary to regulatory institutions like the Fair Competition Commission (FCC) and TUICO.

Furthermore, Sub-project has embedded an emergency response plan within its ESIA report, which includes basic but essential measures such as fire extinguishers, first aid kits, personal protective equipment, and safety signage. Through collaboration with agencies like the Fire and Rescue Force, the company demonstrates its readiness to respond to emergencies, further reinforcing its alignment with both national laws and international standards under IFC PS1. The company's feedback and complaints mechanism are another critical component of its accountability framework, offering a range of accessible channels for stakeholders to voice concerns. These mechanisms are grounded in principles of impartiality, confidentiality, and timely resolution, ensuring that all feedback is handled in line with industry best practices. Additionally, Sub-project has established a minimal yet effective emergency response plan, with security measures and inter-agency collaboration in place to address any unforeseen emergencies, such as theft or natural disasters. This proactive approach to emergency preparedness further underscores the company's dedication to the safety and well-being of its employees, stakeholders, and the surrounding community.

Sub-project demonstrates a strong commitment to fair labour practices and safe working conditions, in alignment with IFC Performance Standard 2. The company in the operation phase aims to employ both contracted and casual labour approximately 20 individuals, with a gender distribution of 15 men and 5 women under renewable terms that guarantee legal employment benefits, including 28 days of annual leave, sick leave, and maternity leave, as stipulated in the Employment and Labour Relations Act (CAP. 366 R.E. 2019). The company's human resources policy strictly follows Tanzanian labour laws and prohibits child and forced labour, in accordance with both national regulations and international labour conventions ratified by Tanzania, such as those of the ILO. This legal alignment helps ensure that all workers, including those hired through third-party contractors, are protected and treated with dignity and fairness.

To maintain a safe and healthy work environment, Sub-project is committed to provide workers with personal protective equipment (PPE), access to clean drinking water, regular breaks, and appropriate sanitation facilities such as changing rooms and lavatories, in compliance with the OSHA Act of 2003 and its corresponding administrative rules. The company holds a valid OSHA compliance certificate and undergoes routine audits to ensure adherence to occupational health and safety standards. No workplace incidents have been reported in the past two years, which is indicative of the effectiveness of the company's safety management systems. Furthermore, Sub-project participates in mandatory training programs such as First Aid and SHE (Safety, Health, and Environment) training organized by OSHA, ensuring that staff and safety representatives are well-prepared to handle work-related hazards, including those associated with manual handling and construction activities.

Sub-project also fosters a respectful and inclusive work environment, with clear policies against sexual exploitation, abuse, and harassment (SEAH), in compliance with the Sexual Offenses (Special Provisions) Act (CAP 16) and the Equal Opportunities Employment Act. Discrimination based on race, gender, disability, or sexual orientation is explicitly prohibited. Importantly, the company has put in place a well-structured and accessible grievance redress mechanism (GRM), which is available to both direct employees and third-party workers.

This GRM operating on principles of impartiality, confidentiality, and timely resolution is consistent with CRDB and GCF standards and allows concerns to be escalated to relevant regulatory bodies such as the Fair Competition Commission (FCC). Overall, Sub-project's employment practices are grounded in national legislation and international standards, ensuring compliance with PS2 while fostering a safe, equitable, and rights-based workplace.

Sub-project will demonstrate a strong commitment to resource efficiency in its upcoming operations, consistent with the principles of IFC PS3. The milling plant will source electricity from the national grid through TANESCO and will rely on a sustainable water supply system via a drilled borehole supported by 5,000-liter storage tanks. The raw material maize will be procured from local smallholder farmers, farmer groups, and associations primarily located within the Southern Agricultural Growth Corridor of Tanzania (SAGCOT), including regions such as Kilimanjaro, Dodoma, Tanga, and Iringa. This localized sourcing strategy will help reduce transportation-related emissions while supporting regional agricultural livelihoods, aligning the project with environmentally and socially responsible supply chain practices.

In terms of waste management, Sub-project plans to adopt a circular approach by converting grain residues, such as crushed maize and powder waste, into poultry feed through an on-site feed production unit. This initiative will support PS3's goals of minimizing waste and promoting reuse. Other non-hazardous wastes including plastic bags, office paper, and domestic waste will be appropriately separated, stored, and disposed of in compliance with waste handling regulations. Notably, there will be no diesel storage tanks on-site, which will reduce the risk of hazardous material spills and promote safer environmental conditions. These measures will ensure that waste streams are responsibly managed, reused where possible, and disposed of without posing risks to human health or the environment.

Sub-project will also implement robust wastewater and stormwater management systems. Wastewater from cleaning activities and domestic uses will be filtered using fine mesh screens to capture solids, which will then be repurposed for poultry feed or composting. The remaining water will be treated in septic tanks and safely directed into soak pits to allow for organic breakdown. All wastewater from the processing halls and staff facilities will be managed similarly and will be disposed of through designated oxidation ponds. Additionally, stormwater from rooftops will be channelled into the septic systems to prevent runoff into the surrounding environment. Through these planned systems, Sub-project aims to prevent pollution, promote resource reuse, and ensure environmental sustainability throughout its operations, in full alignment with IFC Performance Standard 3.

Recommendations:

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

While Sub-project has made commendable progress in developing a robust Environmental and Social Management Plan (ESMP) and fostering strong stakeholder engagement, there are several areas that require further attention to fully align with IFC Performance Standard 1. The company should enhance its adaptive management approach by ensuring that monitoring results lead to timely updates of mitigation measures. Greater transparency is also needed through regular public disclosure of key environmental and social documents and outcomes. Additionally, the development of a comprehensive environmental and social risk register would help prioritize and manage risks more effectively. The grievance mechanism should be clearly defined, culturally appropriate, and accessible to all stakeholders, with clear procedures for resolving concerns. Lastly, the company is encouraged to assess cumulative impacts from nearby projects or operations and integrate these findings into its risk management strategies. Addressing these areas will strengthen Sub-project's ability to manage risks proactively and maintain compliance with international best practices.

2. Enhance Labour Practices (PS 2)

To further strengthen its alignment with IFC Performance Standard 2, Sub-project could take several steps. First, enhancing employee engagement and awareness programs would ensure ongoing communication about employee rights, workplace policies, and grievance channels. This could be achieved through regular workshops, training, and feedback surveys. Additionally, while current safety measures are effective, conducting a comprehensive ergonomic assessment of workstations and tasks could help reduce long-term physical strain and machinery-related risks. The company should also consider expanding its third-party supplier audits to ensure consistent compliance with labour rights, safety, and welfare standards. Strengthening its diversity and inclusion efforts by formalizing a strategy with measurable goals would promote greater representation and opportunities for underrepresented groups. Finally, improving record-keeping and reporting practices related to labour practices, grievance resolution, and safety audits would increase transparency and accountability. These actions would further enhance Sub-project's commitment to a safe, ethical, and compliant workplace, fully aligning with international labour standards.

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

To further align with IFC Performance Standard 3 on Resource Efficiency and Pollution Prevention, Sub-project can consider a few areas for improvement. While the company has made significant strides in sustainable resource use and waste management, there are opportunities to enhance its environmental performance. First, the company could implement regular resource consumption audits to track and optimize the use of water and electricity, identifying opportunities for further reduction and efficiency improvements. Additionally, although the plant effectively repurposes solid waste into poultry feed and compost, expanding the scope of waste recycling efforts to include other materials, such as packaging and non-organic waste, could further reduce its environmental footprint. While wastewater is treated through a septic system, the company might explore advanced wastewater treatment technologies that offer even greater environmental protection and reduce the reliance on soak pits.

Finally, while the mill has plans to manage waste responsibly, implementing a comprehensive waste minimization plan could help identify opportunities to reduce waste generation at the source, further contributing to pollution prevention. By addressing these areas, Sub-project could continue to enhance its sustainability practices and further minimize its environmental impact.

4. Safeguard Community Health and Safety (PS 4)

To further align with IFC Performance Standard 4 on Community Health, Safety, and Security, Sub-project could take several steps to enhance its positive impact on the local community. While the company's activities already contribute to local job creation and economic development, additional efforts to engage with the surrounding community could foster greater long-term collaboration. This could include regular community consultation meetings to ensure that residents are informed about operations, potential risks, and the company's safety measures. Although the milling process itself is safe, the company could consider conducting a comprehensive community health and safety risk assessment to identify and address any potential indirect risks associated with noise, traffic, or air quality.

Furthermore, enhancing security measures with a focus on community safety awareness programs could help ensure that both employees and residents feel secure. Lastly, while the plant has separate access routes for vehicles, it might be beneficial to introduce additional traffic safety measures, such as signage or traffic control personnel during peak hours, to further minimize the risk of accidents. By implementing these strategies, Sub-project can continue to foster a secure and healthy environment for both its operations and the local community.

Implementing the recommended improvements across various areas, Sub-project can significantly enhance its operations and long-term sustainability. Strengthening its Environmental and Social Management Systems (PS 1) will enable the company to better manage risks, enhance transparency, and stay aligned with international best practices. Improving labour practices (PS 2) will foster a safer, more inclusive, and compliant workplace, ensuring better employee engagement and adherence to labour rights. Further advancing resource efficiency and pollution prevention (PS 3) will help the company reduce its environmental footprint, optimize resource consumption, and enhance waste management, contributing to a more sustainable operation. Finally, enhancing community health and safety measures (PS 4) will improve local relations, reduce potential risks to surrounding communities, and promote a safer, more collaborative environment. By addressing these key areas, Sub-project will not only align more closely with IFC standards but also benefit from enhanced operational efficiency, a stronger reputation, and a positive impact on the local community and environment finally, contributing to the success and sustainability of TACATDP financing.

Action Plan

S/No	Action	Objective	Deliverable	Responsibility	Timeline	Status
1	Sub-project to address all grievances raised by all stakeholders and report all grievances recorded to CRDB Bank Plc.	To align Sub-project 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 (Sub-project GRM, CRDB Bank GRM, and GCF IRM) and disseminated to stakeholders.	Sub-project	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.	Sub-project and CRDB Bank Plc (AE)	Ongoing throughout lifetime of the facility.	
3	Sub-project 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.	Sub-project	Ongoing throughout lifetime of the facility.	
4	Sub-project 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.	Sub-project	Ongoing throughout lifetime of the facility.	
5	Sub-project to manage all wastes resulting from the milling activities.	Pollution control and waste management approach to minimize environmental impacts that could result from scattering of wastes.	Waste collection on site at the milling plant.	Sub-project	Ongoing throughout lifetime of the facility.	
6	Sub-project 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 milling plant.	Sub-project	Ongoing throughout lifetime of the facility.	

7	Sub-project to maintain all relevant permits.	To observe national and international laws and regulations associated with construction and operation of Milling plant.	Up-to-date compliance certificates/permits.	Sub-project	Ongoing throughout lifetime of the facility.	
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