



Luxembourg, 8 May 2024

Environmental and Social Data Sheet

Overview

Project Name: *BANQUE AGRICOLE - SENEGAL GREEN AGRI VALUE CHAIN*
 Project Number: *2019-0749*
 Country: *SENEGAL*
 Project Description: *Financing investments in sustainable agriculture in Senegal*

EIA required: EIA may be required for selected investments.

Project included in Carbon Footprint Exercise¹: No

Environmental and Social Assessment

Through this operation, the EIB will establish a credit line to La Banque Agricole (hereafter the Financial Intermediary, FI) for lending to SMEs, Mid-Caps and cooperatives across selected agricultural value chains in Senegal (hereafter the Final Beneficiaries, FBs). At least 70% of the portfolio will be dedicated to eligible sub projects with a focus on sustainable agriculture value chains and related activities. Further, at least 30% of the overall portfolio will be earmarked for sub-project contributing to climate action and environmental sustainability and 30% towards gender equality by application of the 2x challenge criteria.

Environmental Assessment

Some sub-projects financed by the FI in the agribusiness sector may require an Environmental and Social Impact Assessment (ESIA). For any investment subject to an ESIA, either in accordance with national legislation or based on the application of the EIB's environmental and social standards, the FI will need to ensure that the ESIA, including proper public consultation, is carried out to a level that meets European/international standards, and that the EIB receives a copy of the ESIA for publication on its website.

The FI has sound governance standards and an adequate Environmental and Social Management Systems (ESMS) in place to address environmental and social risks that are typical for MSME and Mid-Cap investments in the sector.

Following the EIB's review of the ESMS, the financial intermediary will need to ensure that Category A-IF1 projects (projects likely to have significant negative effects on the environment and/or society) are excluded from EIB financing. Sub-projects within or impacting areas of high biodiversity and nature conservation value, including bird migration routes, will also be excluded from EIB financing.

Given the climate action focus of the operation, an average of 30% of total allocations to sub-projects tackling adaptation and mitigation will be required at facility level, qualifying as such when compliant with agreed pre-defined criteria.

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



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Social Assessment

As this facility aims to support investments promoting green investments in the bioeconomy as well as promoting gender equality, the FI will monitor and report on the adoption by FBs of practices, technologies and approaches related to these objectives.

The FI shall aim to achieve a minimum of 30% of the overall funding to be directed towards reaching gender goals in line with at least one of the 2X challenge criteria (entrepreneurship, leadership, workforce or consumption).

As part of the ESMS, the LBA has in place a Grievance and Redress Mechanism to ensure that any employee of the Bank, or any individual or communities who believe they are or might be adversely affected by a sub project financed by the FI is able to approach LBA to file a grievance or complain directly; and or anonymously with all guarantees and institutional protection. The FI will be required to maintain a process for external communications.

Other Environmental and Social Aspects

The FI will ensure that the FBs comply with labour standards, as defined in the ILO Declaration on Fundamental Principles and Rights at Work, particularly with respect to child labour, equal treatment and equal opportunities. The FI will ensure that the FBs provide an independent grievance mechanism for workers to raise reasonable concerns about the workplace. The FI will ensure that occupational health and safety aspects are respected at the FB level.

Conclusions and Recommendations

Disbursement conditions:

- None

Undertakings:

- The Financial Intermediary ensures that category A-IF1 projects as per the ESMS in place are excluded from EIB financing.
- The Financial Intermediary maintains an adequate ESMS and ensures that the necessary financial and human resources are made available to implement the ESMS.
- Sub-projects within or impacting on areas of high biodiversity and nature conservation value, including bird migration routes, are excluded from EIB financing.
- The Financial Intermediary integrates environmental and safety considerations in accordance with (i) national legislation and EIB E&S standards; (ii) ILO core labour standards; (iii) EIB lists of excluded and restricted activities and sectoral requirements; into their respective credit and investment decision making processes.

With the above-mentioned conditions to be included in the financial contract, the operation is acceptable to the EIB in environmental and social terms.