

Public Information Summary

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| Host Country | Zambia |
| Name of Borrower | Zambia Lusaka Market, Ltd, incorporated in Zambia |
| Project Description | ZLM is a new fresh fruit and vegetable market system in Lusaka that will reduce post-harvest losses and replace unhygienic open-air markets. ZLM's innovative market system provides transparent market access for farmers, helping to reduce the risk of exploitation from intermediaries in existing informal markets. |
| Proposed DFC Loan | \$7,500,000 with a 10-year tenor |
| All-Source Funding Total | \$17,000,000 |
| Policy Review | |
| U.S. Economic Impact | The Project is not expected to have an impact on the US economy. |
| Developmental Objectives | The Project is anticipated to have a highly developmental impact through the construction of an innovative fresh produce market, which primarily sources its fresh fruit and vegetables from smallholder farmers. Food production in Zambia at the national level often surpasses domestic requirements. However, the availability and access to nutritious food remains a substantial development challenge for low-income households. In Zambia, like many developing countries, food waste and loss occur at early stages of the food value chain due to poor/non-scientific harvesting techniques, weak infrastructure, storage, cooling, and transport facilities leading to up-to 20% of harvests lost each year. The Project will decrease food waste, improve post-harvest management, and increase local smallholder farmer incomes through its innovative trading and sourcing systems. |
| Environment and Social Assessment | Screening: The Project has been reviewed against DFC's categorical prohibitions and has been determined to be categorically eligible. Loans to agricultural markets are screened as Category B projects under DFC's environmental guidelines because impacts are site specific and readily mitigated using good international industrial practices. Environmental issues associated with the Project include the need for a robust environmental and social management system to manage potential environmental and social risks from construction and the operation of the market trading floor, occupational health and safety measures during construction and operations, food safety protocols, fire prevention and control measures, and proper disposal of small quantities of solid wastes. Social issues associated with the Project include the need for robust labor management, the need for internal and external grievance mechanisms, and the need for supply chain due diligence. |

Applicable Standards: Under DFC's Environmental and Social Policies, the Borrower is required to comply with applicable local and national laws and regulations related to environmental and social performance. DFC's environmental due diligence indicates that the Project will have impacts which must be managed in a manner consistent with the following International Finance Corporation's (IFC) 2012 Performance Standards (PS):

P.S. 1: Assessment and Management of Environmental and Social Risks and Impacts

P.S. 2: Labor and Working Conditions

P.S. 3: Resource Efficiency and Pollution Prevention

P.S. 4: Community Health, Safety, and Security

Based on DFC's desktop review, the Project and the future market expansion are located in an established industrial zone. Significant adverse impacts with respect to land acquisition and resettlement, biodiversity conservation, indigenous peoples, and cultural heritage are not anticipated. Therefore, PS 5, 6, 7, and 8 are not triggered at this time.

The Project will be required to meet applicable provisions of the IFC's April 30, 2007 General Environmental Health and Safety (EHS).

Environmental and Social Risks and Mitigation: The primary environmental and social issues associated with the Project include the need for an Environmental and Social Management System (ESMS), appropriate Occupational Health and Safety (OHS) measures, human resources management that sufficiently addresses supply chain risk, and effective grievance mechanisms.

The Project has developed an ESMS. The Project will be required to demonstrate human resources management systems sufficient to address Project risks for the construction and operational phases, including the supply chain. The Project will be required to demonstrate effective implementation of its ESMS.