



**Tanzania Agricultural Development Bank Equity Enhancement Phase III
P-TZ-HAA-006**

ESMP mandatorily annexed to the Financing Agreement (FA)

General considerations

1. *Tanzania Agricultural Development Bank* is planning to implement the *Equity Enhancement Phase III Project* (the **Project**). The Bank has agreed to provide financing, implementation support and monitoring for the Project.
2. *Tanzania Agricultural Development Bank* will implement measures and actions of this Environmental and Social Management Plan¹ (**ESMP**) so that the Project meets all the requirements of the Bank Environmental and Social Operational Safeguards (**OS**) and the National policy and legal requirements.
3. Where the ESMP refers to specific plans, whether they have already been prepared or are to be developed, the ESMP requires compliance with all mandatory provisions of such plans.
4. The table below summarizes the material measures and actions that are required, the basis of the requirement, the timing of the measure or action, and the criteria to be used for determining whether the required measure or action has been successfully achieved. *Tanzania Agricultural Development Bank* is responsible for compliance with all requirements of the ESMP even when implementation of specific measures and actions is conducted by an entity different from the Project Implementation Unit (PIU).
5. Implementation of the material measures and actions set out in this ESMP will be monitored and reported to the Bank by *Tanzania Agricultural Development Bank* as required by the ESMP and the conditions of the legal agreement, and the Bank will monitor and assess progress and completion of the measures and actions throughout implementation of the Project.
6. As agreed by the Bank and *Tanzania Agricultural Development Bank*, this ESMP may be revised from time to time during Project implementation, to reflect adaptive risk management of project changes and unforeseen circumstances or in response to assessment of project performance conducted under the ESMP itself. In such circumstances, *Tanzania Agricultural Development Bank* will propose and agree changes with the Bank, and then update the ESMP to reflect such changes.

¹ The ESMP refers to all the E&S risks/impacts and measures, as approved in all the disclosed E&S documents and agreed between the Bank and Borrower. For projects involving multiple subprojects, that are identified, prepared and implemented during the course of the project, the Borrower will need to demonstrate to the Bank, before the project appraisal, through the preparation of E&S documentation of a sample of subprojects, that it has the capacity to carry out appropriate environmental and social assessment of subprojects, and prepare and implement such subprojects in accordance with the national laws and the OSs. (*Section III.2.3 of Bank's ESP and section D of OSI*)

Material Actions² to Manage the Project's E&S Risks and Impacts		Basis for Requirement	Key Performance Indicator	Indicative Timing/Deadline
1	Submission of E&S Reports to the Bank <ul style="list-style-type: none"> Submit quarterly E&S implementation report to the Bank as per the standard template 	Bank's ESP, OS1 and OS 9	4 Quarterly reports every year submitted in time, in good standard satisfactory to the Bank	Three weeks after the end of the period
	<ul style="list-style-type: none"> Submit Annual Environmental & Social Report to the Bank as per the standard template 	Bank's ESP, OS1 and OS 9	1 Annual report each year submitted timely and, in a manner, satisfactory to the Bank	Within 30 days after the end of each Financial Year
2	Establish and maintain E&S technical staff to ensure effective implementation of the ESMS	Disclosed ESIA, OS1 and OS 9	Evidence of E&S unit and staff in the organogram	By Project effectiveness date and throughout the project cycle
3	Establishment of the Corporate Grievance Redress Mechanism (GRM) and disclosure to Public	OS1, OS9, OS10 and National requirements	Corporate Grievance Redress Mechanism (GRM) has been established and publicly disclosed as part of the ESMS	Throughout the project implementation
4	Payment of compensation and reinstallation of affected people	SO10	NA	NA
5	Incorporation of site-specific E&S measures in the request for proposals	SO1 & national requirements	NA	NA
6	Submission of high-risk activity's Contractor ESMP (C-ESMP) to Bank clearance	Bank's ESP and OS1	NA	NA
7	Establishment of the Contractor's Grievance Mechanism (GM) and information of workers	OS1, OS2, SO10 and Bank's Disclosure and Access to Information Policy	NA	NA
8	Obtaining nationally required licenses prior commencement of subjected activities (excavations, tree-cutting, working at height, working in confined spaces, etc.)	OS1, OS2 and national labor laws	NA	NA
9	Preparation, approval, and disclosure of specific E&S documents during Project implementation, including prior review of Category 1 terms of reference by the Bank	Bank's ESP, OS1 and national requirements	NA	NA
10	Engagement with concerned stakeholders	OS1, OS10, Bank's Disclosure and Access to Information Policy	Stakeholders will be engaged during due diligence of the projects to be financed to ensure that any concerns are resolved before finance is extended to the borrower	Throughout the project cycle
11	Establishment of Emergency Preparedness and Response mechanism	OS1 & OS4, national legislation on contingencies et	NA	NA
12	Appropriate and timely handling of complaints/grievances	Bank's ESP and OS1	Grievance log maintained and updated monthly	Throughout the project cycle
13	Notification to riparian or alert to downstream exposed peoples	Bank's ESP and OS1, applicable International Treaty/Convention ratified	NA	NA

² Please add any relevant key actions and/or indicate "Not applicable" in the third column ("Basis for requirement") for actions that are not applicable to the project.

Material Actions² to Manage the Project's E&S Risks and Impacts		Basis for Requirement	Key Performance Indicator	Indicative Timing/Deadline
14	Capacity building & awareness creation on E&S to clients benefitting from the investment facility.	OS1, OS9,	Number of clients trained per quarter as per loan disbursement	Throughout the project cycle
15	Implementation of ESMS/ESAP ³	OS1 and OS9, national requirements	Percent of ESAP actions completed as per agreed action plan if in place	Throughout the project cycle
15.1	<i>Approval of any required E&S management procedure</i>	Ditto	Ensure all required E&S procedures e.g., ESMP/ESIA licenses for beneficiary projects (if applicable) are formally approved before implementation.	Throughout the project cycle
15.2	<i>Establishment of the E&S unit</i>	Ditto	E&S Unit officially recognized with defined TORs and reporting line	By Project effectiveness date and throughout the project cycle
15.3	<i>Capacity Building of the E&S Unit</i>	Ditto	Annual capacity needs assessment for the E&S Unit has been conducted where the following trainings will be attended; 1. Management of Environmental and Social Safeguards in Projects 2. ESG Financial Risk Assessment for Banks and Financial Institutions 3. Climate Change Financing 4. Strategic Environmental Assessment	Throughout the project cycle
15.4	<i>Processing the Value Chain E&S due diligence</i>	Ditto	Sub-projects not approved without proper E&S screening	Throughout the project cycle
16	Promptly and immediately notify the Bank of any E&S incidents, accidents, including measures to control/manage such incidents and subsequently share the Root Cause Analysis (RCA) and Corrective Action Plan (CAP) report in a timely manner.	Bank's ESP & OS 1	Incident & Accident notification not later than 48hrs. Timely submission of RCA & CAP	Immediately and no later than 48 hours after the occurrence
17	Disclosure of Project's E&S reports to the public	OS1, OS10, Bank's Disclosure and Access to Information Policy	Public disclosure of ESMS at the TADB website	Done

³ Applies to non-sovereign operations and public sector projects implemented by permanent autonomous Agencies/Institutions.