

Public Information Summary

Host Country	Zambia
Name of Borrower	Seba Foods Zambia Limited
Project Description	Capital expenditure loan to facilitate the construction of modern grain silos to deliver on the food security mission by reducing food loss, increasing production, and increasing access to affordable, plant-based, nutritious foods
Proposed DFC Loan	\$10,000,000 8-year loan
All-Source Funding Total	\$14,000,000
Policy Review	
Developmental Objectives	Zambia faces acute rates of food insecurity, largely caused by rising food prices and climatic shocks. The Project is expected to have a positive development impact in Zambia by addressing the country’s increasing demand for healthy and affordable foods and providing farmers with a stable source of income. The Project will engage an additional 5,200 local smallholder farmers to meet this demand (50%+ are women) and will continue to support local economic growth through its majority focus on domestic markets.
Environment and Social Assessment	<p>SCREENING: The Project has been reviewed against DFC’s July 2020 Environmental and Social Policy and Procedures (“ESPP”) and determined to be categorically eligible. Projects involving food production, distribution, and aggregation are screened as Category B Projects under DFC’s environmental and social guidelines because impacts are site-specific and readily mitigated. The Project is subject to climate change resiliency screening per EO 13677.</p> <p>APPLICABLE STANDARDS: DFC’s preliminary environmental and social due diligence indicates that the Project will have impacts that must be managed in a manner consistent with the following of the International Finance Corporation’s (IFC) 2012 Performance Standards:</p> <ul style="list-style-type: none"> • 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; and • P.S. 4: Community Health, Safety, and Security.

A desk-review-based due diligence assessment indicates that significant adverse impacts with respect to land acquisition and resettlement, biodiversity, indigenous peoples, and cultural heritage are not anticipated; therefore, PS 5, 6, 7, and 8 are not triggered at this time.

In addition to the Performance Standards listed above, the following standards apply to the Project: IFC General EHS Guidelines (2007) and IFC Environmental, Health, and Safety (EHS) General Guidelines for Food and Beverage Processing (2007).

Environmental and Social Risks and Mitigation Measures: Key environmental and social risks associated with the Project include occupational health and safety; fire life and safety; community health and safety; hazardous materials and waste management; air emissions from fossil fuel combustion sources; labor and contractor management; supply chain management and wastewater.

The Project involves an existing food processing facility and construction of a new facility that will have similar operations as the existing facility. The Borrower will be required to develop an Environmental and Social Management Plan and a Contractor Management Plan for the construction of the new facility that align with the IFC Performance Standards and the EHS Guidelines.

There are more than 50 people living immediately adjacent to the site where the new facility will be constructed and operated. Potential construction impacts to these residents include site access, traffic, noise, air-quality, gender-based violence and harassment (GBVH). Impacts during operations may include water contamination, run-off, air emission, debris, GBVH and other community health and safety issues. DFC will require as part of the preparation of the Zambian national ESIA process, that impact and mitigation measures relating to the people living adjacent to the new project site be included in Seba's ESIA report and any other management plans needed as determined by DFC based on review of the ESIA to ensure the health and safety of the residents living near the greenfield project site.

Both the existing and new facilities will be connected to the local electricity grid Zambia Electricity Supply Corporation (ZESCO).

Both facilities have diesel backup generators and coal fired boilers. Estimated Scope 1 emissions for the Project are 2,899 MTCO_{2e}/yr and Scope 2 emissions are 1,886 MTCO_{2e}/yr. Both the existing and new facilities will exclusively obtain water from boreholes on the facility sites. Wastewater is treated through an on-site effluent treatment plant at the existing facility and will be treated through a septic system at the new

	<p>facility. Seba has a wastewater monitoring procedure that includes wastewater testing on a monthly basis at the existing facility Seba will be required to incorporate the new facility into its wastewater monitoring procedure.</p> <p>Hazardous materials at the Project facilities include lab chemicals such as (sulphuric acid and sodium hydroxide), stored soya oil, coal and clinker from furnace. Seba currently does not have a dedicated SOP for Hazardous Waste Management and will be required to develop and submit one for DFC's review and approval.</p> <p>The Borrower has a Hazard Analysis Critical Control Point (HACCP) for the existing facility and will be required to develop and submit to DFC an HACCP Plan for the facility.</p> <p>Seba Foods lacks environmental and social plans for the new facility. In addition, the Norfund ESAP found a number of gaps with respect to key risk areas such as occupational health and safety and fire life and safety that Seba Foods needs to show have been closed out.</p> <p>The Borrower will be required to develop a stakeholder engagement plan and external grievance mechanism for the new greenfield Project site as well as strengthen the worker grievance mechanism and add prohibitions on child and forced labor to contractual agreements with suppliers.</p>
--	---