



Luxembourg, 26 October 2022

## Environmental and Social Data Sheet

### Overview

Project Name: *IFAD - FOOD SECURITY LOAN*  
 Project Number: *2022-0287*  
 Country: *Regional*  
 Project Description: *Loan to IFAD to finance investments that boost agricultural production and reinforce the food value chains to generate resilience. The operation aims to accelerate IFAD's support to developing countries.*

EIA required: some projects may require an ESIA  
 Project included in Carbon Footprint Exercise<sup>1</sup>: No

### Environmental and Social Assessment

#### Environmental Assessment

The project consists in a series of investments to scale up agricultural production and strengthen food value chains to reduce rural poverty and enhance food security in developing countries. The promoter of this operation is the International Fund for Agricultural Development (IFAD)<sup>2</sup>.

The EIB funds will be pooled and used by IFAD through their Borrowed Resource Access Mechanism, for which a large number of IFAD member states are eligible, covering the following sub-sectors within the context of rural development:

1. Environment and natural resources;
2. Primary agricultural production sectors;
3. Access to markets;
4. Inclusive rural finance;
5. Policy dialogue and community-based institutions;
6. Access to basic social services;
7. Programme management.

IFAD will apply its own environment, climate and social standards integrated in their [Environmental, Climate and Social Procedures \(SECAP\)](#) to eligible projects as part of the Framework Loan.

<sup>1</sup> 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 CO<sub>2</sub>e/year absolute (gross) or 20,000 tonnes CO<sub>2</sub>e/year relative (net) – both increases and savings.

<sup>2</sup> IFAD is an international financial institution and a specialized UN agency dedicated to eradicating poverty and hunger in rural areas of developing countries.



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The EIB has reviewed the SECAP, which cover the following areas: i) biodiversity conservation; ii) resource efficiency and pollution prevention; iii) cultural heritage; iv) indigenous people; v) labour and working conditions vi) community health and safety; vii) physical and economic resettlement; viii) financial intermediaries and ix) climate change.

These nine thematic standards comprise the key requirements for the environmental and social sustainability of the projects and are applicable during project design and implementation.

The Standards are based on international good practices of the UN, international financial institutions and multilateral-development banks and they have been publicly consulted. Following its review, the EIB considers IFAD's environmental, climate and social procedures to be materially consistent with the 2022 EIB's Environmental and Social Standards. As such, for the purpose of this operation IFAD will apply to all proposed investments in the operation, its SECAP.

#### Environmental Assessment

Projects are designed to have environmental benefits and promote sustainable natural resources management practices. Where projects may have negative environmental impacts, these will be identified and screened through the ESIA process and appropriate mitigation measures, where applicable, will be implemented.

#### Climate assessment

IFAD is accredited by the Green Climate Fund, which demonstrates a robust capacity to assess climate risks from the early stages of project identification. As part of the Country Strategic Opportunities Paper<sup>3</sup> preparation, IFAD develops jointly with the concerned government and stakeholders, a dedicated climate related strategy for the sector. In 2023 IFAD will have to renew its accreditation before the Green Climate Fund and has the intention to develop a resilience and adaptation paper to explicit their Paris Alignment ambitions.

#### IFAD's Environmental and Social Capacity

IFAD has thematic experts both at headquarters and in the regional offices that are responsible for carrying out the environmental, climate and social due diligence and implementation support and for ensuring that the projects are structured to be in compliance with the SECAP.

### **EIB Paris Alignment for Counterparties (PATH) Framework**

The counterparty IFAD, as a United Nations organisation, is in scope but screened out in the PATH framework because it is not considered high emitting or high vulnerability.

### **Social Assessment**

Based on the type of projects to be financed, the schemes are not likely to trigger any significant physical or economic displacement.

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<sup>3</sup> A roadmap document that IFAD prepares jointly with each of its borrowing countries.



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In case of impacts on Indigenous Peoples/ Historically Underserved Traditional Local Communities, IFAD's project approvals are systematically contingent on obtaining Free Prior and Informed Consent during project design.

IFAD's SECAP requires the screening, identification and addressing of potential social issues such as displacement, gender based violence and harassment, early in the process of project preparation. In addition, by specifically targeting vulnerable groups and empowering female entrepreneurship, the projects will help to build economies that are more inclusive. IFAD has a robust gender strategy in place and monitoring mechanisms to follow targets during project implementation. IFAD's major indicators and results are made available in its Annual Report on IFAD's Development Effectiveness (RIDE), regularly published in its website.

### **Conclusions and Recommendations**

Given that IFAD's Environmental, Climate and Social Procedures are materially consistent with the EIB Environmental and Social Standards, the EIB will ensure that projects are verified against compliance with the EIB's Exclusion List, and exclude from the EIB financing any non-compliant project.

Considering the above, the project is acceptable for financing in environmental and social terms for the EIB.