Luxembourg, 19 November 2025

Environmental and Social Data Sheet

Overview

Project Name:	GREEN AFRICAN AGRI VALUE CHAIN - DASHEN BANK
Project Number:	2023-0312
Country:	Ethiopia
Project Description:	Intermediated loan to Dashen Bank to on-lend to exporting SMEs, and to a lesser extent MidCaps, mostly operating in the agriculture sector in Ethiopia with complementary targets on climate action and environmental sustainability and gender.

E&S Risk Categorisation:	Medium risk
Project included in Carbon Footprint Exercise[1]:	No

Environmental and Social Assessment

Through this operation, the EIB will establish a credit line to Dashen Bank (hereafter the Financial Intermediary, FI) for lending to SMEs, Mid-Caps and cooperatives (hereafter the Final Beneficiaries, FBs) across selected agricultural value chains in Ethiopia. At least 70% of the portfolio will be dedicated to eligible sub projects with a focus on agriculture value chains and related activities, while the reminder 30% will cover activities across eligible sectors of the Ethiopian economy. Further, at least 30% of the overall portfolio will be earmarked for sub-project contributing also to climate action and environmental sustainability and 30% towards gender equality and women's economic empowerment aligned with 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 (E&S) Standards, the FI will need to ensure that the assessment is carried out in line with the relevant EIB E&S standards, including proper public consultation.

With technical support from the International Finance Corporation (IFC), the financial institution has already developed an environmental and social (E&S) policy that establishes the framework for integrating relevant E&S considerations into its operations based on international good practices for E&S risk management. The policy establishes the guiding principles for the FIs financing operations, defines an exclusion list and key considerations and processes for E&S risk management as well as roles and responsibilities within the institution.

As a key step, the FI has established an ESG Risk Department to implement the ESG Risk Policy and the Environmental and Social Management System (ESMS). The Risk and Compliance Unit provides oversight and strategic guidance for integrating ESG policies across the institution, with a focus on managing environmental and social risks typically associated with agricultural investments. The ESMS

[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.

defines procedures for identifying, assessing, and managing these risks and impacts across all levels of Dashen's lending activities, ensuring that E&S considerations are fully embedded in the credit approval process. Dashen Bank is currently carrying out all the necessary steps to fully deploy the ESMS, namely hiring dedicated staff, communicating and training personnel with E&S risk management functions, updating roles and responsibilities and reporting requirements, among others.

The EIB is in the process of mobilizing technical assistance (TA) to ensure that the FI's has adequate capacity to implement the credit line in line with EIB's requirements, including also any adaptations of the ESMS if needed, with the purpose to ensure, inter alia,, that the following subprojects are excluded from EIB financing: i) sub-projects likely to have significant adverse effects on the environment and/or society and, ii) sub-projects within or impacting areas of high biodiversity and nature conservation value, including bird migration routes.

The climate action focus of the operation implies that the FI is committed to set a target of 30% of total allocations to sub-projects complying with pre-defined criteria for adaptation and mitigation at facility level. The FI will receive TA to support the achievement of the facility's green objectives.

EIB Paris Alignment for Counterparties (PATH) Framework

The Bank's counterparty, Dashen Bank, is an Ethiopian bank with activities in SME's and agriculture. Dashen Bank is screened in because it is considered high vulnerability and does not yet have a resilience plan in place. However, Dashen Bank has agreed to develop a resilience plan in line with the requirements of the PATH framework and to publicly announce an alignment plan. A TA program is already in place to support Dashen Bank on climate risk management and green finance.

Social Assessment

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

More than 30% of the overall funding will be directed towards women entrepreneurs and/or women led businesses or SMEs providing quality employment opportunities, services and products for women in line with the 2X challenge criteria. The FI will develop a gender action plan and receive TA) to support the achievement of this objective.The FI has shown a strong commitment to promoting gender diversity and inclusivity throughout the organization, particularly in leadership roles and workplace culture, while maintaining and aiming to further increase gender balance on both its board and within its workforce.

The FI has established a Grievance Redress Mechanism (GRM) overseen by an independent committee and a whistleblowers' policy that ensures protection for individuals reporting environmental or social concerns. This mechanism enables stakeholders to submit concerns through various accessible and secure channels, describes roles and responsibilities within the institution and the process for handling them.

Other Environmental and Social Aspects

As part of its ESMS, the FI will be requested to ensure that the FBs: (i) comply with labour standards, as defined in the ILO Declaration on Fundamental Principles and Rights at Work, particularly with respect to freedom of association, the elimination of forced and child labour, and the eradication of employment discrimination; (ii) when relevant, request FBs to provide a grievance mechanism proportionate to the nature and scale and the potential labour and Gender Based Violence and Harassment (GBVH) risks and impacts of the project, for workers and/or project affected persons to raise reasonable concerns about the workplace and/or the project; (iii) occupational health and safety measures are respected at the FB level.

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Conclusions and Recommendations

Disbursement conditions:

- None

Undertakings:

- Maintain an adequate ESMS that integrates E&S considerations into the credit decision making processes in line with the recommendations of the TA, in order to implement the credit line in alignment with EIB's E&S requirements that include, inter alia: (i) compliance with national E&S legislation; (ii) EIB E&S eligibility criteria, EIB Sector Requirements and List of excluded activities; (iii) the applicable EIB E&S Standards; (iv) client protection principles; and (v) ILO Core Labour Standards.

- Ensure that adequate financial and human resources required for the implementation of the ESMS are available including matters of GBVH into credit cycle.

- Sub-projects with impacts on high biodiversity value, nature conservation areas, including bird migration routes, and those which may have involuntary resettlement and/or adverse impact on indigenous populations, are excluded from EIB funding.

- Within 12 months of project implementation, the FI shall develop a Gender Action Plan outlining specific measures and targets to increase lending to women-owned and women-led businesses. This plan will be supported by appropriate monitoring frameworks, as well as dedicated budgetary and human resources. If not already addressed within the Environmental and Social Management, the plan will include development of the GBVH risk screening.

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