

Environmental and Social Data Sheet

Overview

Project Name:	GEORGIAN AGRI-FOOD VALUE CHAINS
Project Number:	2015-0450
Country:	Georgia
Project Description:	Loan to Georgia for upgrade of horticulture (incl. nuts) and wine sectors in the country.
EIA required:	Multi-investment project, EIA requirements varied
Project included in Carbon Footprint Exercise ¹ :	no

Summary of Environmental and Social Assessment, including key issues and overall conclusion and recommendation

The project is expected to bring an overall positive environmental and social impact by supporting the introduction of resource-efficient technologies and aiming at approximation to EU technical, sanitary and phytosanitary and environmental norms. This will result in higher yields and profitability from reduced levels of inputs as well as reduced losses and waste in targeted agri-food chains. The operation will focus on small and medium sized projects, which will result in limited environmental impact, but nevertheless will potentially contribute to reductions in emissions, due to the adoption of modern technologies.

Environmental and Social Assessment

Environmental Assessment

National environmental legislation and the environmental and social due diligence capacities and procedures of financial intermediaries have been assessed in order to ensure compliance of the operation with the Bank's environmental and social policy. Some projects (in particular investments in irrigation or agro-industry), either in their own right or as a part of larger schemes, may be categorised as Annex II-type projects under the EIA Directive 2011/92/EU, which in the EU would require a screening by the competent authority to determine the need for an environmental impact assessment. Any allocation aiming to finance either this kind of investment or an investment that may affect a nature conservation area will be subject to ex-ante review by the EIB services.

Social Assessment

For decades, SMEs active in the agri-food sector have been viewed as high risk by Georgian commercial lenders confronted with their seasonal cash flows. The project will facilitate SME access to credit for production, logistics and improved safety and quality standards, in line with Georgia's commitment to approximating to EU norms. This will allow final beneficiaries to increase their productivity – safeguarding jobs and stimulating demand for produce from smaller farmers – while raising safety, health and environmental standards across target value chains. Ultimately, this will lead to increased profitability, incomes and economic development (particularly in rural areas) as well as an improved supply of quality food to the population.

¹ Only projects that meet the scope of the Pilot Exercise, as defined in the EIB draft Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: above 100,000 tons CO₂e/year absolute (gross) or 20,000 tons CO₂e/year relative (net) – both increases and savings.

Public Consultation and Stakeholder Engagement

The project has strong support at the political level and from organisations representing the value chains targeted by the project, including public entities and private enterprises of all sizes. Roundtable discussions were held and presentations were made during project appraisal with local producers and representatives of other value chain participants, including sector associations and public authorities, to ensure open discussion and an informed project design.