



**Partnerships.
Productivity.
Prosperity.**



Environmental and Social Management System

Version 5.0. 2023 (Abridged)

ENVIRONMENTAL AND SOCIAL MANAGEMENT SYSTEM

Developed by the African Fertilizer and Agribusiness Partnership (AFAP)

Document Control Page

Document Title	AFAP Environmental and Social Management System	
Updated by	Aegis One Consults	
Reviewed by	Wilfrida B. Onono	
Approved by	Michael Sudarkasa	
Date of Approval	May 2023	
Version	5.0 (Latest Edition – Abridged)	30 May 2023

Table of Content

<i>List of Figures</i>	3
<i>List of Tables</i>	3
<i>List of Acronyms and Abbreviations</i>	4
1.0 Introduction	5
2.0 Environmental and Social Policy	9
3.0 Identification of E&S Risks and Impacts	11
4.0 Management Programs.....	14
5.0 Organizational Capacity and Competence	19
6.0 Emergency Preparedness and Response.....	20
7.0 Stakeholder Engagement	20
8.0 External Communication and Grievance Mechanism.....	21
9.0 Reporting Back to Affected Communities	22
10.0 Monitoring and Review.....	22
11.0 Conclusion.....	22

List of Figures

<i>Figure 1: AFAP ESMS Structure</i>	8
<i>Figure 2: AFAP’s Management Structure</i>	19
<i>Figure 3: AFAP’s E&S Organizational Structure</i>	19
<i>Figure 4: AFAP’s Grievance Redress Mechanism</i>	21
<i>Figure 5: Key Areas of Ongoing Reporting to Affected Communities</i>	22

List of Tables

<i>Table 1: Potential Environmental and Social Impacts in AFAP’s Investments/Interventions</i>	11
<i>Table 2: Action Plan for Mitigation of Impacts from AFAP’s Investments and Interventions</i>	15

List of Acronyms and Abbreviations

AFAP	-	African Fertilizer and Agribusiness Partnership
AfDB	-	African Development Bank
AGRA	-	Alliance for a Green Revolution in Africa
APC	-	Agribusiness Partnership Contract
BMGF	-	Bill & Melinda Gates Foundation
CAADP	-	Comprehensive African Agriculture Development Program
CEO	-	Chief Executive Officer
CSR	-	Corporate Social Responsibility
DFID	-	Department for International Development
E&S	-	Environmental and Social
ESDD	-	Environmental and Social Due Diligence
ESMP	-	Environmental and Social Management Plan
ESMS	-	Environmental and Social Management System
ESIA	-	Environmental and Social Impact Assessment
ETG	-	Export Trading Group
FAO	-	Food and Agriculture Organization
FBOs	-	Farmer-Based Organizations
FSP	-	Fertilizer Subsidy Programs
GDP	-	Gross Domestic Product
HR	-	Human Resources
IFA	-	International Fertilizer Association
IFC	-	International Finance Corporation
ILO	-	International Labour Organization
LO	-	Liaison Officer
MIG	-	Matching Investment Grant
NGOs	-	Non-Governmental Organizations
OHS	-	Occupational Health and Safety
RAP	-	Resettlement Action Plan
SEP	-	Stakeholder Engagement Plan
UN	-	United Nations
USAID	-	United States Agency for International Development
WCF	-	World Cocoa Foundation
WHO	-	World Health Organization
WFP	-	World Food Programme




1.0 INTRODUCTION

African Fertilizer and Agribusiness Partnership

African Fertilizer and Agribusiness Partnership (AFAP) is an independent non-profit organization founded in 2012 by a partnership of African Development Organizations. It was built on the work of the Comprehensive African Agriculture Development Program (CAADP), a framework for achieving ambitious agriculture development goals set in place by African nations and leaders. AFAP has since evolved into a social enterprise and service provider to the public and private sectors on sustainable development projects and policies focused on market-driven business solutions in the agriculture inputs and agribusiness value chain. AFAP combines technical expertise with entrepreneurial innovation.

AFAP adds value to the agriculture inputs and agribusiness value chain by building the capacity and linking African hub agro-dealers and smallholder farmers to global inputs and output market companies, promoting the use of high quality and affordable balanced crop nutrition products, partnering with technology and equipment providers, and facilitating trade finance for fixed assets and inventory via the Agribusiness Partnership Contract (APC) mechanism.

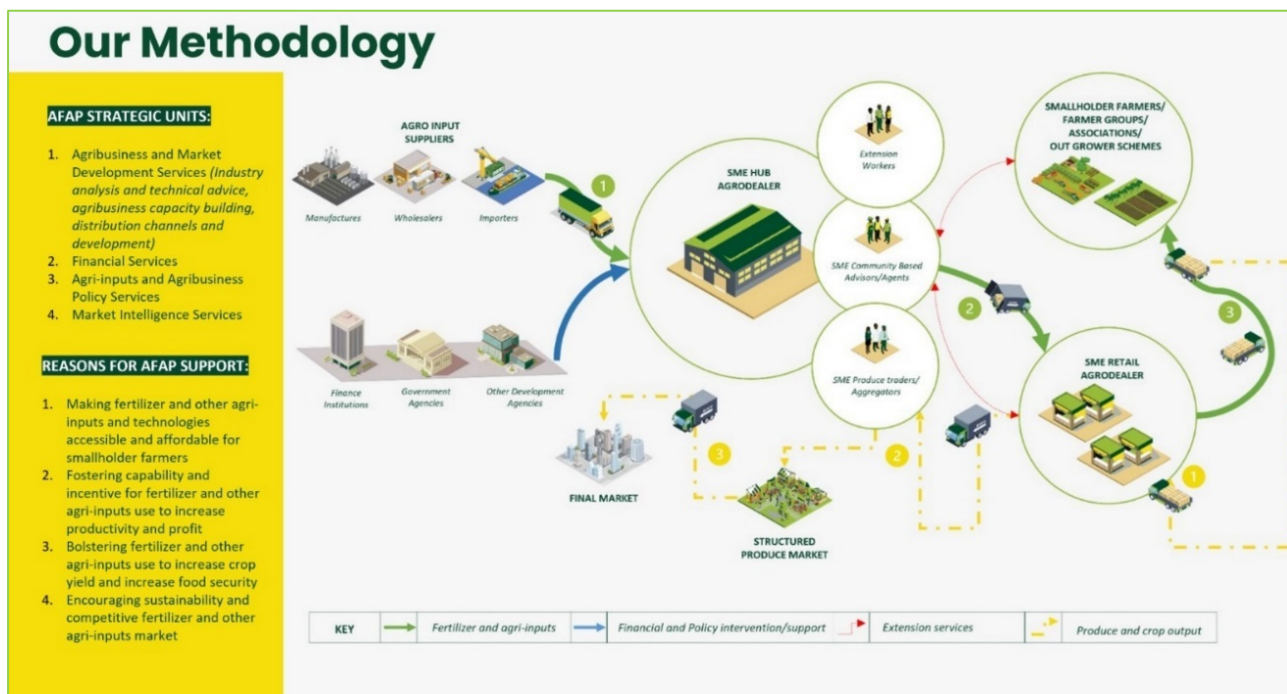
AFAP's public-private partnership strategy is ultimately designed to build the capacity of the African agriculture inputs and agribusiness Small and Medium Enterprises and increase agricultural productivity. The execution of that strategy with partners, results in increasing food security, income, job creation, and agriculture contribution to national GDPs. Since 2012, AFAP has implemented projects/programs and advised public, private sector clients, NGOs, and donors in: Ghana, Tanzania, Mozambique, Malawi, South Africa, Cote d'Ivoire, Nigeria, Senegal, Rwanda, Kenya, Ethiopia, Democratic Republic of Congo, and Uganda. AFAP is committed to furthering environmental sustainability, climate resilience, social inclusion, and gender equality throughout all its intervention with strategic partners across Africa, heavily guided by our vision, mission, values and guiding principles.

	<p>Our Vision</p> <p>To be an effective catalyst of agricultural productivity with smallholder farmers, governments, Regional Economic Communities and SMEs for a prosperous Africa.</p>
	<p>Our Mission</p> <p>To become the preferred technical partner to increase productivity in agribusiness value chain, and investments in the agriculture input and output market via innovation-driven solutions for smallholder farmers, public, private, donors and NGO stakeholders.</p>
	<p>Our Values and Guiding Principles</p> <p>Partnerships, Productivity, Prosperity</p>

AFAP's Interventions and Operations

Overall, AFAP's work is essential in advancing agricultural productivity and food security across the continent. Through its partnerships and innovative business solutions, AFAP is helping transform Africa's agricultural sector into a viable engine for economic growth and development through its five divisions:

- Agribusiness development
- Market Development
- Financial Services
- Policy
- Market Intelligence.



AFAP Services

AFAPs services within the divisions are indicated below.

1. Project Feasibility and Due Diligence

Supporting project developers and financial institutions with their efforts to evaluate the viability of fertilizer projects in Africa.

2. Market Entry Strategy

Facilitating the entry and expansion of input suppliers into African markets and assisting with the development of sales and marketing strategies and implementation plans.

3. Supply Chain/Value Chain Analysis

Mapping input value chains by conducting a comprehensive analysis of the various stages and processes involved in the production, distribution, and marketing of agricultural inputs products in the African market, and providing suggestions related to the improvement in efficiencies within these value chains.

4. Market Linkages and Market Access

Providing support to the African fertilizer industry to achieve favourable outcomes in supply and off-take negotiations.

5. Fertilizer and Agribusiness Dialogue Platforms

Providing support to the African inputs sector to foster engagement with the public sector and civil society.

6. Policy Analysis and Development

Providing policy analysis and development assistance toward improving public-private engagement toward harmonising national and regional policies and regulations.

At the last mile, AFAP adds value to the Agri inputs and agribusiness value chain by building the capacity and linking African Agro-dealers (Hub “Wholesalers” & Retailers/Rural) and Smallholder Farmers to global Agri inputs and food companies, balanced crop nutrition products, technology, financing, and equipment providers in Africa.

AFAP uses its “Hub Agro-dealer model” in order to deepen the reach to smallholder farmers. The main feature of this model is that a few well established agro-dealers (Hub “Wholesalers”) invest in distribution capability (warehouse/ management/ vehicles/ working capital) and networks (linkages with supply companies) in order to service smaller Retail agro-dealers /agents or farmer-based organizations (FBOs) in a given circuit. This will

expand the agro-dealer networks in rural areas while ensuring that the rural input retailers can access the requisite agriculture inputs from Hub “Wholesale” agro-dealers who are based within easy reach or who can send a distribution van as appropriate. This model addresses the pervasive absence of distributorships and limited retail agro-dealer outlets at the farmer level that may constrain smallholder productivity.

AFAP Operating Model

The activities that AFAP implements at the last mile level include.

- Capacity building training in business management, product knowledge and safe use, produce/output marketing.
- Agricultural demand creation activities like demonstration plot establishment, field days, exhibitions, and trade fairs, to create awareness, access, stimulate demand and enhance the use of improved/certified inputs, technologies, best agronomic practices and techniques for increased productivity and rural incomes.
- Facilitating Agro-dealer access to financial services through its Agribusiness Partnership Contract (APC). This is a contract between AFAP and an international, regional and/or local agribusiness partner that agrees to perform significant Agri inputs market development activities with local farmers and agribusiness in exchange for AFAP assistance. APCs are awarded on a continuous and competitive basis. The Assistance falls within the following three categories.
 - Credit Guarantees/ Supplier Payment Guarantees issued through standby letters of credit; Credit Guarantees issued to local Input supplier/financial institutions on behalf of an APC business.
 - Matching Investment Grant (MIG): Capacity Building (Training), Demonstration and other demand creation activities, Support to APC partner and/or its local distributors (Market Linkages, Management and Technical Advising), Infrastructure Development and Equipment Acquisition.
 - Technical Assistance: Management and Technical Advising for APC partner and/or its local distributors, Market Linkages, and other “in-kind” capacity support (e.g., training).
- Facilitate business to business linkage meetings between Agro-dealers/farmers and input supply companies, output/produce markets, equipment companies, financial institutions.
- Policy review and analysis
- Policy Design and Implementation
- Policy papers

About the ESMS

This Environmental & Social Management System (ESMS) is a set of principles, requirements, processes, and tools that help integrate environmental and social risk management into AFAP’s core business process. The ESMS ensures that AFAP’s activities comply with its own environmental and social commitments, national regulations of the countries where we operate and the environmental and social standards of international donors and investors. Compliance with the ESMS shall be a condition for all AFAP’s operations.

The ESMS shall be used to:

- Identify and manage the E&S risks of potential investments.
- Monitor and report on the E&S risks of ongoing operations.
- Assist AFAP to analyse, control and reduce the negative environmental and social impacts.
- Improve on the positive benefits that are realised from its interventions and activities.
- Address current and future E&S risks of operations by providing guidance on E&S requirements during the investment decision making process and management of clients.



Figure 1: AFAP ESMS Structure

This ESMS sets out a framework for the operationalization of AFAP’s E&S policy objectives. It also sets out a strategy for ensuring continual improvement as part of the organization’s Corporate Social Responsibility.

Guiding Frameworks

The implementation of this ESMS in the Agri inputs and agribusiness sector will be underpinned by a suite of standards, policies, laws, regulations, and best practices as specified by:

- The International Finance Corporation (IFC)
- The World Bank
- African Development Bank (AfDB)
- United Nations (UN)
- International Labour Organisation (ILO)
- Food and Agriculture Organization (FAO)
- Alliance for a Green Revolution in Africa (AGRA)
- United States Agency for International Development (USAID)
- Bill & Melinda Gates Foundation (BMGF)
- Department for International Development (DFID)/ Foreign, Commonwealth & Development Office
- World Food Programme (WFP)
- Norwegian Embassy
- Bayer
- Yara International
- The Financial Stability Board (FSB)
- World Cocoa Foundation (WCF)
- Export Trading Group (ETG)
- OCP Group
- The Voluntary Principles Initiative:
- Fertilizer Canada
- International Fertilizer Association (IFA)
- Laws, Codes and Industry Guidelines of Ghana, Malawi, Mozambique, Nigeria, Tanzania, Uganda, Zambia, and other African countries.
- AFAP Internal Codes, Policies and E&S Guiding Procedures

2.0 ENVIRONMENTAL AND SOCIAL POLICY

AFAP's E&S Policy describes our approach to sustainably invest in the agriculture inputs and agribusiness value chain and formalize our commitment to responsible management of E&S risks and impacts and the integration of E&S considerations throughout the investment process and operations.

The policy applies to all AFAP's services, portfolios, and operations. However, when there are limited governance rights or ability to exercise control over the integration of E&S considerations, AFAP will apply elements of the E&S policy to such a degree that it determines to be practicable considering the underlying facts and circumstances of the investment.

Principles

To deliver long-term value consistent with its vision, mission, and business goals, AFAP strongly believes that responsible investment practices are critical and that, an inevitable first step is the full integration and operationalisation of E&S and sustainable business practices into its corporate value system. Consequent on this, we commit to the following set of principles:

- a) The risk associated with all investments/interventions will be assessed and categorized in line with AFAP's risk categorization procedure.
- b) Evaluation of investments will be in accordance with the requirements of applicable national laws and regulations, E&S performance standards established by our donors as well as AFAP requirements.
- c) Investments/interventions will be predicated on compliance with the provisions of AFAP's E&S Policy and all applicable national and international laws and standards.
- d) There will be consistent effort at continual improvement of AFAP's E&S Management System in line with our E&S policy.
- e) E&S performance of AFAP's investments/interventions will be consistently communicated to relevant stakeholders.

Policy Statement

AFAP, as an organization in the agriculture inputs and agribusiness value chain is committed to embedding environmental and social risk management practices into its operations and those of the stakeholders/partners/beneficiaries it works with in the value chain. Our goal is to promote a culture that embraces environmental sustainability and social inclusiveness. This Environmental and Social (E&S) Policy outlines our commitment to integrating environmental and social considerations into our business practices and decision-making processes. As such, we will develop, implement, and maintain an Environmental and Social Management System (ESMS) that promotes operational effectiveness and regulatory compliance.

Policy Objectives

Our ESMS will act as a guide and decision-making tool to ensure that:

- We remain carbon neutral and prevent pollution by identifying and managing the risks associated with the interventions/activities we implement with the stakeholders/ partners/ beneficiaries we work with.
- We identify and address our contribution to climate change and implement measures to reduce greenhouse gas emissions. We will explore opportunities for renewable energy use and sustainable agricultural practices to minimize our carbon footprint.
- We comply with all applicable local, national, and international environmental and social laws, regulations, and standard in all countries in which we operate, as well as requirements put forth by donor agencies.
- We monitor the effectiveness of the implementation of actions of our employees and the stakeholders/ partners/ beneficiaries we work with to ensure compliance and continuous improvement.
- We provide guidelines to conduct our business in a manner that will promote and protect the health and safety of employees, the value chain, and the public.
- We promote greater transparency and accountability on environmental and social risks internally and externally through disclosure and reporting.

- We respect and uphold the human rights of all individuals affected by our operations, including employees, stakeholders, partners and beneficiaries. We will not tolerate any form of discrimination, forced labour, child labour, or other human rights abuses.
- We uphold fair labour practices and adhere to applicable labour laws and regulations. We will provide equal opportunities, fair wages, and reasonable working hours for our employees. We will promote diversity, respect workers' rights to freedom of association, and ensure a workplace free from harassment and discrimination.
- We provide community-based incentives and effective grievance redress mechanism for our employees.
- We communicate our environmental and social performance and initiatives openly and transparently to our stakeholders. This includes providing regular updates on our progress and engaging in constructive dialogue with interested parties.

Management Commitment

Management commits to and supports the implementation of our ESMS as follows:

- We approve the contents of this ESMS.
- We will provide all the resources required to ensure the ESMS achieves all the objectives above.
- We will work with the entire value chain to promote environmental sustainability and social inclusiveness.
- Our business shall be guided by prescribed E&S practices in the agricultural sector as provided by relevant international organizations, regional bodies and member countries where we operate.

Training and Awareness

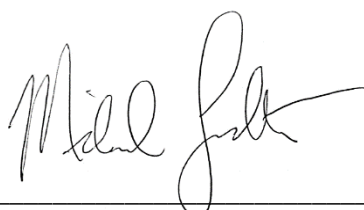
AFAP will provide training to employees across the company on the E&S policy and other related internal policies and procedures. We will promote awareness of the grievance mechanism throughout the organization and among stakeholders through various communication channels to ensure all stakeholders/partners/beneficiaries are familiar with the process.

Monitoring, Reporting, and Continuous Improvement

We will establish systems to monitor our environmental and social performance, including setting measurable targets and indicators. We will conduct regular assessments and audits to ensure compliance and identify areas for improvement.

We will report transparently on our environmental and social performance, including progress made, challenges faced, and actions taken. We will provide stakeholders with timely and accurate information through sustainability reports, public disclosures, and other relevant communication channels.

We are committed to continuous improvement and will strive to implement best practices, adopt innovative technologies, and learn from industry advancements. We will regularly review and update our E&S policies and practices to align with evolving standards and stakeholder expectations.



Michael Sudarkasa
Chief Executive Officer
May 2023

3.0 IDENTIFICATION OF E&S RISKS AND IMPACTS

AFAP E&S Risk Profile

AFAP recognizes that there are several environmental and social risks/impacts that cut across the Agri-input value chain and agribusiness sector. Consequently, this ESMS has been developed to ensure that all emerging risks/impacts are identified and adequately addressed throughout the investment cycle. AFAP recognizes that if the E&S risks/impacts are not identified and adequately mitigated, they may affect its operations, as well as its reputation.

AFAP maintains a low to high E&S risk profile across its investments/interventions.

Risk Category A/1: This represents investments in which operations are likely to cause highly significant adverse environmental and social impacts. More specifically, the potential investment is “likely to induce significant and/or irreversible adverse environmental and/or social impacts, or to significantly affect environmental or social components that stakeholders/donors consider sensitive.” If classified as Category A or 1 (i.e., high risk), the investee must then conduct a full assessment in the form of an *Environmental and Social Impact Assessment (ESIA)*. If resettlement is expected (i.e., displacement of >200 persons), the investee must also prepare the social assessments necessary to write a *Full Resettlement Action Plan (FRAP)*.

Risk Category B/2: This represents investments in which operations are likely to cause limited adverse environmental or social risks and/or impacts that are few in number, generally site-specific, largely reversible and readily addressed through mitigation measures or incorporating internationally recognized design criteria and standards. Depending on the nature and location of the project, this category could require either an *Environmental and Social Impact Assessment (ESIA)* or an *Environmental and Social Management Plan (ESMP)*, as well as an *Abbreviated - Resettlement Action Plan (RAP)* (i.e., if <200 persons will be displaced).

Risk Category C/3: This represents investments in which operations will likely have negligible to low adverse environmental and social risks. Potential investments in this category do not directly or indirectly affect the environment adversely and are unlikely to induce adverse social impacts. It only requires E&S risk categorization and a simplified review that mainly focuses on labour and working conditions.

In identifying the potential impacts that could arise from the support we offer; we consider risk factors as relates to potential impacts in the operations of our stakeholders/ partners/ beneficiaries in the Agri-input value chain.

Table 1: Potential Environmental and Social Impacts in AFAP’s Investments/Interventions

Inputs	Process	Outputs	Potential Negative Impacts - OHS	Potential Negative Impacts - Environment	Potential Negative Impacts - Social	Opportunity For Waste Reduction/ Energy & Water Savings
Agri input/ technology/ equipment both public and private Stakeholders						
Materials (equipment, raw materials, and consumables), labour, resources	Transportation	-	Worker exposure to incidents/ accidents – injuries, bruises, sprains, and falls from carts and vehicles being used when transporting materials	Atmospheric and noise emissions from fuel combustion due to operation of mechanized equipment/vehicles	Child labour, forced labour, excessive working hours, lack of overtime payment, and insufficient wages; Road traffic congestion, accidents, loss of goods and lives; Health effects for communities along the road from dust and air emissions	Improved journey management
	Set-up and Operation of Warehouse	-	Worker exposure to incidents/ accidents – injuries, bruises, sprains, trips, and fall from height and other incidents/ accidents from construction activities. Fire from faulty electrical fittings and explosion	Discharges and runoffs resulting in pollution of surface and groundwater; reduction in surface and groundwater quality; loss of aquatic life and the	Land acquisition and resettlement issues, traffic congestion, accidents on community roads, loss of goods and lives; Child labour, forced labour, excessive working hours, lack of overtime payment,	Use of renewable energy and energy-saving lighting. Recycling of waste materials.

			from poor storage of Agri-inputs (e.g., ammonium nitrate)	overall depletion of ecosystems services.	insufficient wages, verbal and/or physical (sexual) harassment.	
	Storage of raw materials, Blending of raw materials, Bagging of blended materials and Storage of Blended materials	Product, waste, by-product	Worker exposure to incidents/ accidents – injuries, bruises, sprains, trips, and falls from operation of blending machines, generators etc.; Long-term illness from the inhalation of dust/particulates and gaseous emissions; Hearing defects from high noise levels within the working areas; and explosion from poor storage of Agri-inputs (e.g., ammonium nitrate).	Emissions, Discharges, Noise, contamination, pollution, depletion of resources; Solid waste from bags and containers of raw materials, hazardous waste from maintenance of generators and other machineries (spent oil, oil-soaked filters, rags, and oil containers).	Child labour, forced labour, excessive working hours, lack of overtime payment, insufficient wages, verbal and/or physical (sexual) harassment.	Improved process, re-purposing, and recycling by-products
	Distribution of final product (Agri inputs)	Product, waste, by-product	Worker exposure to incidents/accidents – injuries, bruises, sprains, and falls from carts and vehicles being used when transporting materials	Atmospheric and noise emissions from fuel combustion due to operation of mechanized equipment/vehicles	Child labour, forced labour, excessive working hours, lack of overtime payment, and insufficient wages.	Improved journey management
▼						
Super/Hub Agro-dealers						
Materials (equipment, raw materials, and consumables), labour, resources	Storage of received Agri-inputs and further distribution to retail agro-dealers and farmers	Product, waste, by-product	Worker exposure to incidents/ accidents – injuries, bruises, sprains, trips, and falls from operation of machinery and manual handling; illness from the inhalation of dust/particulates and gaseous emissions; and explosion from poor storage of Agri-inputs (e.g., ammonium nitrate).	Emissions, Discharges, Noise, contamination, pollution, depletion of resources; Solid waste from bags and containers of products, hazardous waste from maintenance of generators and other machineries (spent oil, oil-soaked filters, rags and oil containers).	Child labour, forced labour, excessive working hours, lack of overtime payment, insufficient wages, verbal and/or physical (sexual) harassment; Road traffic congestion, accidents, loss of goods and lives; Health effects for communities along the road from dust and air emissions.	Improved process, re-purposing, and recycling by-products
▼						
Retail/Rural Agro-dealers						
Materials (equipment, raw materials, and consumables), labour, resources	Storage of received materials from hub agro-dealers, and daily sales of Agri-inputs.	Product, waste, by-product	Worker exposure to incidents/ accidents – injuries, bruises, sprains, trips, and falls from operation of machinery and manual handling; illness from the inhalation of dust/particulates and gaseous emissions; and explosion from poor storage of Agri-inputs (e.g., ammonium nitrate).	Emissions, Discharges, Noise, contamination, pollution, depletion of resources; Solid waste from bags and containers of products, hazardous waste from maintenance of generators and other machineries (spent oil, oil-soaked filters, rags and oil containers).	Child labour, forced labour, excessive working hours, lack of overtime payment, insufficient wages, verbal and/or physical (sexual) harassment; Road traffic congestion, accidents, loss of goods and lives; Health effects for communities along the road from dust and air emissions.	Improved process, re-purposing, and recycling by-products
▼						
Smallholder Farmers using Agri inputs and improve seeds						
Manual labour and/or	Planting improved seeds	Plant waste,	Worker injuries (back pain/pulled muscles)	Surface runoff and leaching of excess	Chemical contamination of water	Use of plant cover to reduce loss of

mechanical input, fertilizer	and other crops	sediment, fertilizer containers	from repetitive motion and heavy lifting; Health hazard including heat radiation, skin irritation, ingestion, respiratory problems, toxic fume inhalation from fertilizer and other agro chemicals.	crop nutrients leading to contamination of groundwater; eutrophication of surface water resources; loss of aquatic specie; and overall effect on the ecosystem services.	sources used by local communities; health effects from the use of contaminated water.	nutrients, biogas, fertigation, protective buffer zones
	▼					
Manual labour and/or mechanical input, pesticides (fungicides and herbicides)	Weed and pest control	Plant waste, obsolete pesticide, and packaging	Worker injuries from cuts, abrasions through removing leaves Worker exposure to toxic substances when spraying pesticide (carcinogenic organophosphates and organo-chlorines) causing nausea, skin rashes, upper respiratory tract infections, bronchitis, urinary tract infections	Surface runoff and chemical contamination of surface water and groundwater; and loss of aquatic species; and overall effect on the ecosystem services. Air pollution from spray drift	Exposure of local communities to pesticides through chemical contamination of drinking water, spray drift, improper disposal and use of packaging and containers, and potentially harmful concentrations in postharvest products	Crop rotation (pangola grass), biological pest control, pest resistant crops
	▼					
Manual labour and/or half-mechanically harvester	Harvesting of crops/plants through digging or cutting and collection	Plant waste	Worker exposure to extreme heat and injuries as a result of long hours spent doubled over plants; and cutting hazard for workers	Plant waste and sediments leading to contamination of ground and surface waters. Combustion byproducts from burning crop residues	Contamination of water sources used by local communities; health effects from the use of contaminated water and exposure to soot/particulates in air from burning plant waste.	Compost (instead of burning) crops, compost plant waste.
	▼					
Manual labour and trucks	Transportation of farm produce to markets	Packaging waste, spoiled plants	Worker exposure to bruises, sprains, and falls from carts and vehicles being used when transporting farm produce	Atmospheric and noise emissions from fuel combustion due to operation of mechanized equipment	Accidents, loss of goods and lives; Health effects for communities along the road from dust and air emissions	Improved journey management; compost plant waste.

4.0 MANAGEMENT PROGRAMS

Application of AFAP’s Corporate Environmental and Social Policy

To meet the requirements of the E&S policy, AFAP has set the following E&S operational requirements for all its stakeholders/partners/beneficiaries:

- Screen all stakeholders/partners/beneficiaries against the Exclusion List.
- Screen all stakeholders/partners/beneficiaries for E&S impacts and benefits prior to approving any finances through a well-defined due diligence analysis and decision-making process.
- Ensure stakeholders/partners/beneficiaries comply with national and international environment, social, health and safety regulations applicable to their operations.
- Ensure AFAP supports and invests only in socially and environmentally responsible stakeholders/partners/beneficiaries.
- Require the adoption of AFAP’s E&S Standards as defined in this ESMS by all stakeholders/ partners/ beneficiaries and business partners within the Agri inputs value chain.
- Ensure that the decision makers of stakeholders/partners/beneficiaries are more active in taking preventive measures that avoid potential E&S risks that ultimately could result in future liability or insurance claims. This can be achieved through providing guidance to the decision makers as well as creating commitment with them towards putting in place the adequate preventive measures.
- Monitor and enforce compliance of E&S aspects of all agreements with stakeholders/ partners/ beneficiaries.
- Where applicable, assist stakeholders/partners/beneficiaries with E&S value added propositions as part of the action plan to improve E&S awareness and management.
- Monitor and report on AFAP’s contribution to the E&S development of stakeholders/ partners/ beneficiaries in a transparent, credible, and timeous manner to all relevant players.
- Overall, actively supporting the development of Agri inputs value chain that meet E&S international best standards within Africa.

For the past ten years, AFAP has implemented the earlier mentioned activities in its countries of operations and the findings have indicated that most activities had no irreversible negative environmental and social impacts and as such they fell under the Category 2 (Medium Risk – Projects with limited, location-specific E&S impacts that are reversible) Projects. AFAPs interventions do not involve involuntary relocation of population thus Resettlement Action Plans (RAPs) are not required. Under its Agribusiness Partnership Contract (APC), the Matching Investment Grant (MIG) supporting Infrastructure Development (warehouse purchase/ construction/ renovation) and Equipment Acquisition, AFAP will conduct an ***Initial Environmental and Social Screening***, then carry out an ***Environmental and Social Due Diligence (ESDD)***, which will form the first step of an ***Environmental and Social Impact Assessment (ESIA)*** or ***Environmental and Social Management Plan (ESMP)***.

Action Plan

Based on the risk assessment, the following action plan is presented for key risks inherent in AFAP’s investments and interventions:

Table 2: Action Plan for Mitigation of Impacts from AFAP's Investments and Interventions

MITIGATION HIERARCHY	ACTION	OBJECTIVE AND TARGET	DEADLINE	RESPONSIBLE STAFF	RESOURCES REQUIRED	OPERATIONAL PROCEDURES
Violation of rights of workers – excessive working hours, lack of overtime payment, and insufficient wages						
Avoid	<ul style="list-style-type: none"> – Review HR policies and incorporate policies/procedures to ensure contract workers are protected on remuneration, working hours and OHS requirements in line with ILO requirements and local labor laws. – Ensure all contractors/labor cooperatives are aware of and trained on HR policies regarding contract/temporary workers. – Periodically audit contract/temporary workers' contracts with contractors/labor cooperatives – Provide training/re-training to all contract/temporary workers on their rights. – Appoint an Ombudsman and/or establish whistle blowing system that can be used in cases related to violation of contract/temporary workers' rights 	<p>Objective: Protection of contract workers against workers' rights violations</p> <p>Target: Ensure 100% of contract workers have the same level of protection on remuneration, working hours and OHS working conditions</p>	3 months	<ul style="list-style-type: none"> – CEO – HR Manager – Procurement Manager – Operations Manager 	<p>Staff time intensity: Medium</p> <p>Capital intensity: Low</p>	<p>HR policies and procedures for: hiring, remuneration non-discrimination and disciplinary practices. Procedure for selection, training, and monitoring of contractors/lab or cooperatives</p> <p>Complaint management resolution procedure</p>
Compensate/ Offset	<ul style="list-style-type: none"> – Identify and compensate with overtime payment for all excessive/overtime work done in past 3 months or pay arrears based on local labor regulations (if any) 	<p>Objective: Compensate contract workers for overtime</p>		<ul style="list-style-type: none"> – HR Manager – Operations Manager 	<p>Staff time intensity: Low</p>	<p>Procedure for settlement/compensation of affected workers</p>
Chronic diseases due to workers exposure to pesticides and other banned substances						
Avoid	<ul style="list-style-type: none"> – Prepare an inventory of all agrochemicals and current consumption at the farm. – Identify and quantify the current usage of banned or restricted substances. – Identify 'substitute' agrochemicals for all banned substances and replace the existing stock. – Ensure safe disposal of banned/hazardous chemicals through authorized hazardous waste handling and disposal facilities 	<p>Objective: Prevent use of all banned substances</p> <p>Target: 100% elimination of banned pesticides and other agrochemicals from farm operations</p>	2 months	<ul style="list-style-type: none"> – Operations Manager – Procurement Manager 	<p>Staff time intensity: Low</p> <p>Capital intensity: High</p>	<p>Procedure for selection and procurement of agrochemicals</p> <p>Procedure for handling, storage, and disposal of hazardous waste</p>
Minimize	<ul style="list-style-type: none"> – Conduct job hazard analysis and identify all activities where worker may be exposed to pesticides and other chemicals. – Establish safe work procedures and operating conditions. – Identify and provide appropriate PPEs for different processes including chemical-resistant coveralls, gloves, footwear, hood or wide-brimmed hat, 	<p>Objective: Minimize workers' exposure to agrochemicals</p> <p>Target: Ensure safe work practices and 100% use of appropriate PPEs</p>	3 months	<ul style="list-style-type: none"> – Operations Manager – OHS Manager – Procurement Manager – Supervisor 	<p>Staff time intensity: Low</p> <p>Capital intensity: High</p>	<p>Procedure for job hazard analysis</p> <p>Procedure for OHS training.</p> <p>Procedure for OHS monitoring and inspection.</p> <p>Procedure for handling,</p>

	<p>goggles/safety glasses, full-face respirator, powered air-purifying respirators, filters, canisters, and cartridges.</p> <ul style="list-style-type: none"> – Implement adequate breaks and rest periods and ensure mixing, transfer and application of chemicals are undertaken by trained personnel only. – Provide washing and laundry facilities to workers 					storage, and use of agrochemicals
Compensate /Offset	<ul style="list-style-type: none"> – Ensure timely treatment and medical assistance for all cases related to workplace injury and chemical exposure. – Compensate for wages lost during injury or ill-health treatment. – Work with local authorities and NGOs to provide adequate health coverage to the affected workers. – Provide free periodical medical check-ups to monitor worker health and exposure to dangerous chemicals. – Assist affected workers with alternate job opportunities commensurate with their qualification and skill. 	<p>Objective: Treat and rehabilitate affected workers Target: Treatment and rehabilitation of 100% affected workers</p>	1 Year	– HR Manager	<p>Staff time intensity: Medium Capital intensity: High</p>	<p>Procedure for periodic health checkup. Procedure for settlement/compensation of affected workers</p>
Chemical contamination of local drinking water sources from leaching and surface runoffs						
Avoid	<ul style="list-style-type: none"> – Substitute chemicals that fall under WHO Hazard Class I or II or listed in Stockholm Convention – Maintain and increase the long-term fertility of the soil by incorporating compost into the soil during the land preparation stage. – Ensuring proper mulching is done to prevent weeds and conserve moisture. – Implementing mechanical traps, light and sound to repel pests 	<p>Objective: Prevent/control surface and ground water contamination from agrochemicals Target: 100% Compliance with water quality requirements for selected bore-well and surface water samples</p>	1 year	– Operations Manager	<p>Staff time intensity: High Capital intensity: Low</p>	Manual for Integrated Pest Management
Minimize	<ul style="list-style-type: none"> – Use only pesticides whose manufacture is licensed, registered, and approved by FAO. – Follow manufacturer's instructions and select application technologies/methods that reduce unintentional drift or runoff. – Store agrochemicals in dedicated dry, cool, and well-aerated location designed with spill containment measures. – Ensure protective clothing worn for pesticide application is carefully 	<p>Objective: Prevent/control surface and ground water contamination from agrochemicals Target: 100% Compliance with water quality requirements for selected bore-well and surface water samples</p>	3 months	<ul style="list-style-type: none"> – Operations Manager – Procurement Manager 	<p>Staff time intensity: Medium Capital intensity: Medium</p>	<p>Procedure for selection and procurement of agrochemicals Procedure for handling, storage, and use of agrochemicals List of banned and restricted substances</p>

	<p>disposed.</p> <ul style="list-style-type: none"> - Establish untreated buffer zones along water sources, rivers, streams, ponds, lakes and ditches to protect water resources. - Maintain records of pesticide use and effectiveness 					
Compensate/ Offset	<ul style="list-style-type: none"> - Conduct surveys and drinking water analysis to identify community members that are affected by contamination of drinking water supplies. - Work with local government departments to assist in providing drinking water until regular and safe supplies are restored. - Establish periodic water sampling and testing mechanism to detect and address any contamination on a proactive basis (testing could be outsourced) 	<p>Object: Redress water related grievances from affected communities</p> <p>Target: Redress for 100% of water related grievances</p>		- HR/CSR Manager	<p>Staff time intensity: Medium</p> <p>Capital intensity: High</p>	<p>External grievance procedure</p> <p>Procedure for sampling and testing of water samples</p>
Fire, Explosion & Chemical Spill Emergency						
Minimize	<ul style="list-style-type: none"> - Develop Emergency Preparedness and Response Program for Fire, Explosion and Chemical Spills, including steps to be taken before, during and after the incident. - Train all workers and staff, including Emergency Response Team 	<p>Objective: Be prepared for emergency situations</p> <p>Target: Ensure 100% of workers and staff are trained and aware of evacuation and response procedure</p>	6 months	<ul style="list-style-type: none"> - HR Manager - Operations Manager - Emergency Response Team 	<p>Staff time intensity: High</p> <p>Capital intensity: Medium</p>	<p>Fire/Explosion /Chemical Spill Preparedness and Response Procedure</p>
Compensate/ Offset	<ul style="list-style-type: none"> - Make sure that all legal obligations are fulfilled with respect to compensation for damage, injuries, and loss of life to workers and their families, and to affected persons in the communities. 	<p>Objective: Ensure that compensation is provided as appropriate</p> <p>Target: Ensure that 100% of obligations are fulfilled</p>	Following accident/ incident	- Legal team	<p>Staff time intensity: Medium</p> <p>Capital intensity: Low</p>	<p>Procedure for compensation and restitution</p>
Conflicts with community due to land acquisition practices/land ownership disputes						
Avoid	<ul style="list-style-type: none"> - Identify available land for expansion with their ownership structure and develop land acquisition plans. - Establish market rates and buy available land at fair price based on direct negotiation with the sellers. - Ensure 100% legal documentation and transfer of title in all land procurements. 	<p>Objective: Prevent community conflicts related to land disputes</p> <p>Target: 100% new land acquisitions to be done at fair price with proper title transfers</p>	12 months	- Compliance Manager	<p>Staff time intensity: Low</p> <p>Capital intensity: Low</p>	<p>Procedure for land acquisition</p>
Compensate/ Offset	<ul style="list-style-type: none"> - Identify and settle 100% land claim disputes with the local community through negotiation/ compensation 	<p>Objective: Resolve community conflicts through</p>	18 months	<ul style="list-style-type: none"> - Compliance Manager - CSR Manager 	<p>Staff time intensity: Low</p> <p>Capital intensity: Low</p>	<p>Procedure for settlement of disputes and land claims</p>

	and legal/title registrations. – Compensate for disputed land based on current market prices.	resettlement and rehabilitation Target: 100% resolution of ongoing community conflicts			High	Rehabilitation and resettlement procedure
Agrochemical leakage and contamination of soil/water						
Minimize	– Review and update procedure on safe storage and handling of pesticides in accordance with international guidelines issued by FAO, WHO, the Rotterdam and the Stockholm Conventions – Develop emergency preparedness and response procedure to minimize contamination and injury as a result of pesticide leakage and spillage. – Regularly train all workers exposed to pesticides and emergency response brigades on appropriate procedure	Objective: Reduce incidence and impact of pesticide spill and leaks Target: 100% reduction	6 months	– Operations Manager – OHS – Committee	Staff time intensity: High Capital intensity: Medium	Procedure for safe storage and handling Pesticide leakage preparedness and response procedure
Improper disposal of construction and other wastes causing land contamination and impacting local community						
Avoid	– Establish and implement a waste management plan for all facilities. – Establish and implement procedures for reuse, recycle, and safe disposal of waste. – Implement rodent elimination program. – Deploy containers for collection and safe disposal of solid waste from the site	Objective: Ensure waste is well managed. Target: Ensure 100% of workers and staff are trained and aware of waste management procedure	6 months	– HR Manager – Operations Manager – Waste Manager	Staff time intensity: High Capital intensity: Medium	Waste Management Plan
Minimize	– Develop and deploy a grievance mechanism for local area residents to facilitate understanding of impacts and issues in a timely manner.	Object: Redress grievances from affected communities Target: Redress for 100% of grievances	Following investigation and resolution	– Compliance Manager – Legal team	Staff time intensity: Low Capital intensity: High	External grievance procedure
Offset	– Compensate local residents negatively affected by uncontrolled activities. – Provide physical and other health-related examinations for individuals claiming physical harm from construction activities.	Objective: Ensure that compensation is provided as appropriate Target: Ensure that 100% of obligations are fulfilled	Following investigation and resolution	– Legal team	Staff time intensity: Medium Capital intensity: Low	Procedure for compensation and restitution

5.0 ORGANIZATIONAL CAPACITY AND COMPETENCE

AFAP boasts of a diverse and competent multi-disciplinary team which includes Agri inputs industry, agribusiness marketing, finance, IT, M&E/E&S, and investment technical experts. These experts are seeded to the organization within our countries of operation and offices.

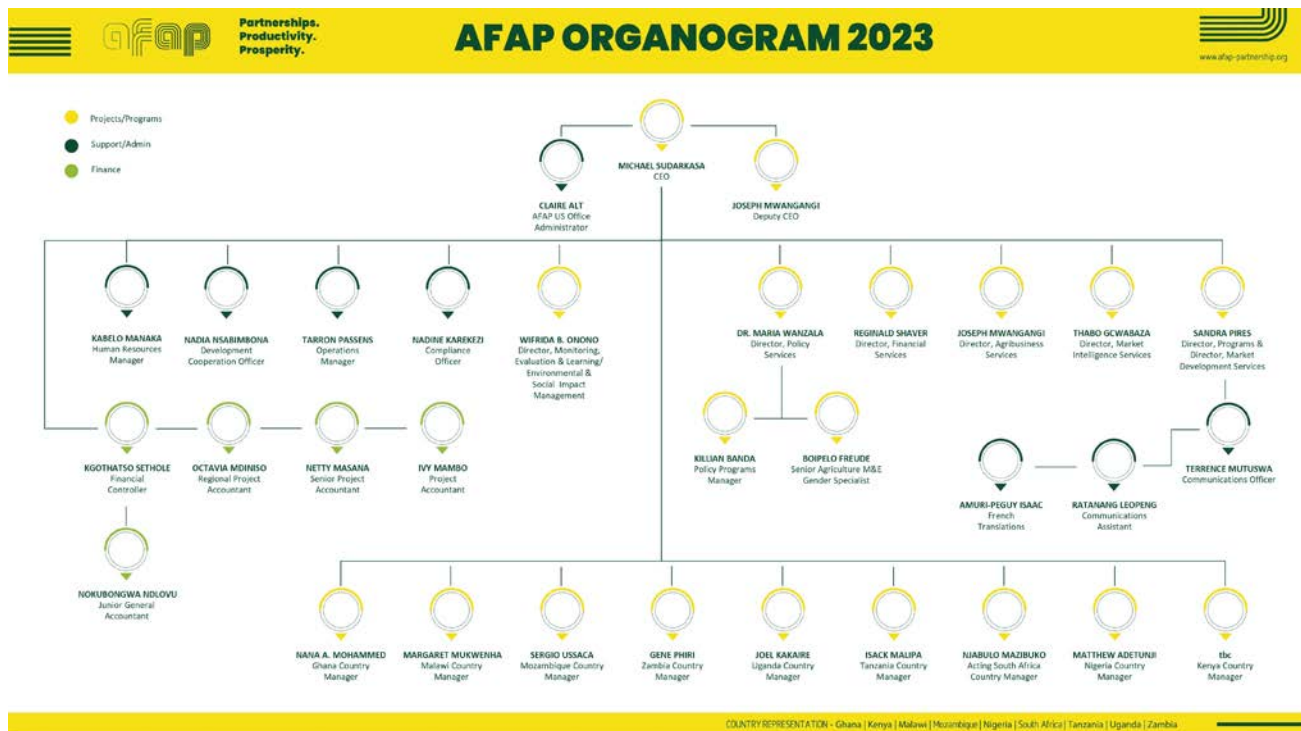


Figure 2: AFAP’s Management Structure

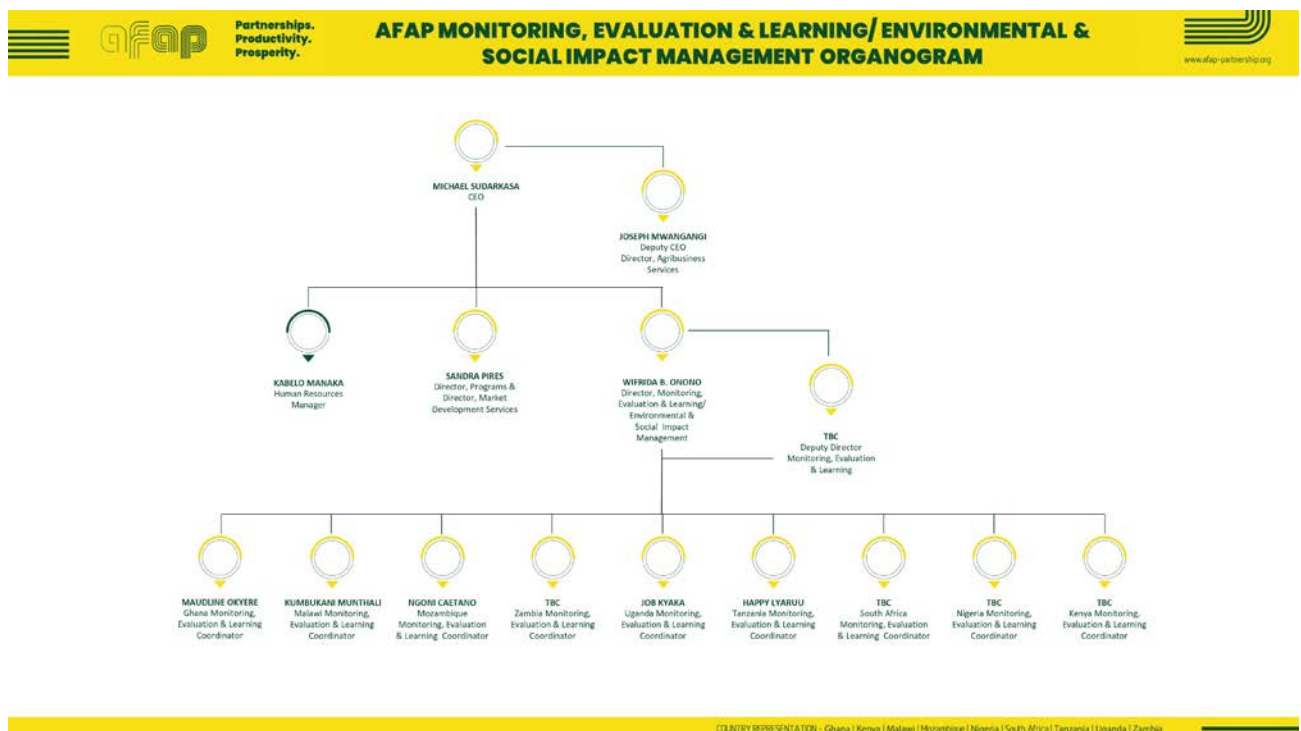


Figure 3: AFAP’s E&S Organizational Structure

The CEO, Head of Agribusiness unit, Director Programs, Director HR and Director–Monitoring, Evaluation & Learning, Environmental & Social Impact Management will ensure that adequate resources have been committed to allow efficient and effective implementation of this ESMS policy and procedures. In addition, and where applicable AFAP shall maintain a pool of qualified E&S Consultants/Specialist in countries where it operates. These consultants may be called upon to assist with the preparation of environmental and social studies or to conduct environmental and social due diligence and reviews as may be required.

AFAP commits to raising the awareness of its staff and clients by designing and delivering training on specific E&S subjects to targeted functions within the organization and in the countries where it operates.

6.0 EMERGENCY PREPAREDNESS AND RESPONSE

AFAP and its stakeholders/partners/beneficiaries will ensure that emergency preparedness and response plans are developed and implemented for all investments and interventions identified as needing one. The development of these plans will be in accordance with international best practices and AFAP’s E&S Guidance Procedures including our Fire Response Procedure, Explosion Response Procedure, Chemical Spill Response Procedure, and others.

7.0 STAKEHOLDER ENGAGEMENT

Effective stakeholder engagement develops a “social licence” to operate and depends on mutual trust, respect, and transparent communication between an organization and its stakeholders.

For every investment/intervention, AFAP and its stakeholders/partners/beneficiaries will determine who the project stakeholders are and understand their needs and expectations for engagement, and their priorities and objectives in relation to the Project. This information will be used to tailor engagement to each type of stakeholder. As part of this process, individuals and groups who may find it more difficult to participate and those who may be differentially or disproportionately affected by the project because of their marginalized or vulnerable status will be particularly identified.

AFAP will ensure that a Stakeholder Engagement Plan (SEP) is developed for every investment/intervention that would likely result in significant social impacts and will regularly disclose information on both the project’s impacts and potential benefits and provide the communities with opportunities to express their concerns and suggestions.

Monitoring and evaluation of the stakeholder engagement process is considered vital to ensure that AFAP quickly responds to identified issues and modify the timing and/or nature of engagement activities to make them more effective.

Corporate Social Responsibility (CSR) Strategy

AFAP shall maintain a Corporate Social Responsibility Strategy that will ensure the transfer of benefits to communities where AFAP and all its stakeholder/partner/beneficiary operates. The overarching importance of this is to ensure that all activities that can be traced back to AFAP have community benefits attached to it.

8.0 EXTERNAL COMMUNICATION AND GRIEVANCE MECHANISM

AFAP's *Grievance Redress Mechanism Policy* outlines our commitment to providing an accessible and effective process for handling grievances both internally and externally, ensuring accountability, and fostering a culture of trust and respect. Our policy commits to the fair and transparent resolution of grievances and complaints raised by our stakeholders including employees, partners, beneficiaries, and local communities. We recognize that conflicts, concerns, or disputes may arise, and we are dedicated to addressing them promptly and fairly. Our GRM is designed to address concerns and complaints promptly and transparently with no impacts (cost, discrimination) for any report made by employees or stakeholders.

Our GRM works within existing legal and cultural frameworks, providing an additional opportunity to resolve grievances at community level, project level and judiciary level. AFAP encourages affected persons, groups, or communities to channel their grievances through the Liaison Officer (LO) as the first point of call. Information on ways to make complaints would be made readily available to potentially affected communities and other stakeholders through leaflets, website links, posters in administrative offices and public places, or complaint boxes at strategic locations at our facilities.

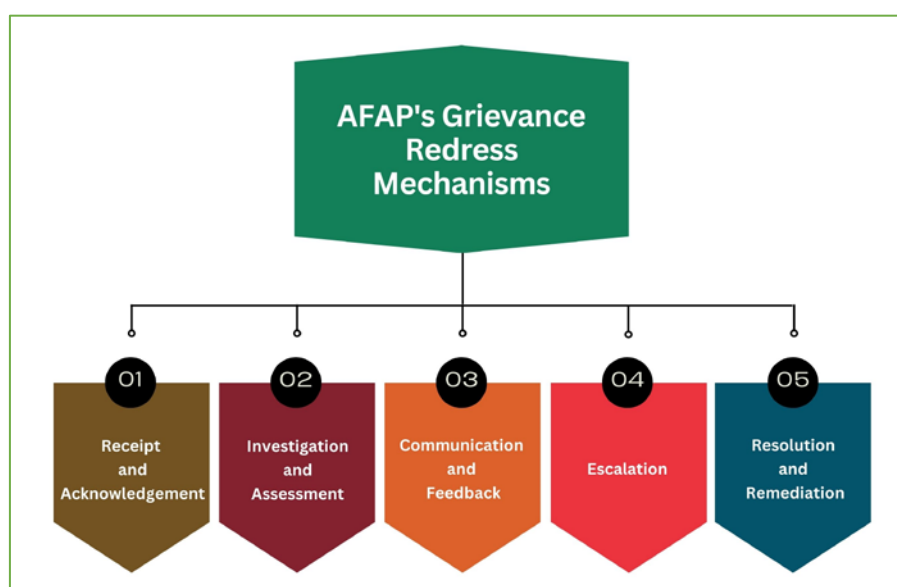


Figure 4: AFAP's Grievance Redress Mechanism

Grievances may be addressed by mail/post to AFAP address or by website/email/phone (anonymously if needed):

3rd Melrose Boulevard,
 Birnam, Johannesburg 2196
 Website: afap-partnership.org
 Email: info@afap-partnership.org
 Tel: +27 (0)11 844 7320

AFAP will monitor and track grievances to identify patterns, trends, and areas for improvement. All grievances received will be logged using *AFAP's Grievance Log Sheet* and recorded in *AFAP's Grievance Resolution Form (Annex 16)*.

AFAP is committed to maintaining the confidentiality of individuals involved in the grievance process, respecting their privacy rights. We have zero-tolerance for retaliation or discrimination against those who raise their grievances or complaints and will ensure that our mechanism provides for anonymity. However, AFAP reserves the right to take disciplinary action against any person found to have made false or malicious allegations.

9.0 REPORTING BACK TO AFFECTED COMMUNITIES

AFAP will regularly report to communities affected by its investment and interventions on the progress of its commitments to resolve the issues identified during the stakeholder engagement process and through its grievance mechanism. The reports will be presented in the local language of the community as well as in a clear format during periodic engagements. The frequency of these engagements will be annually; however, in most cases, communication will be proportional to the scale of stakeholders' concerns.

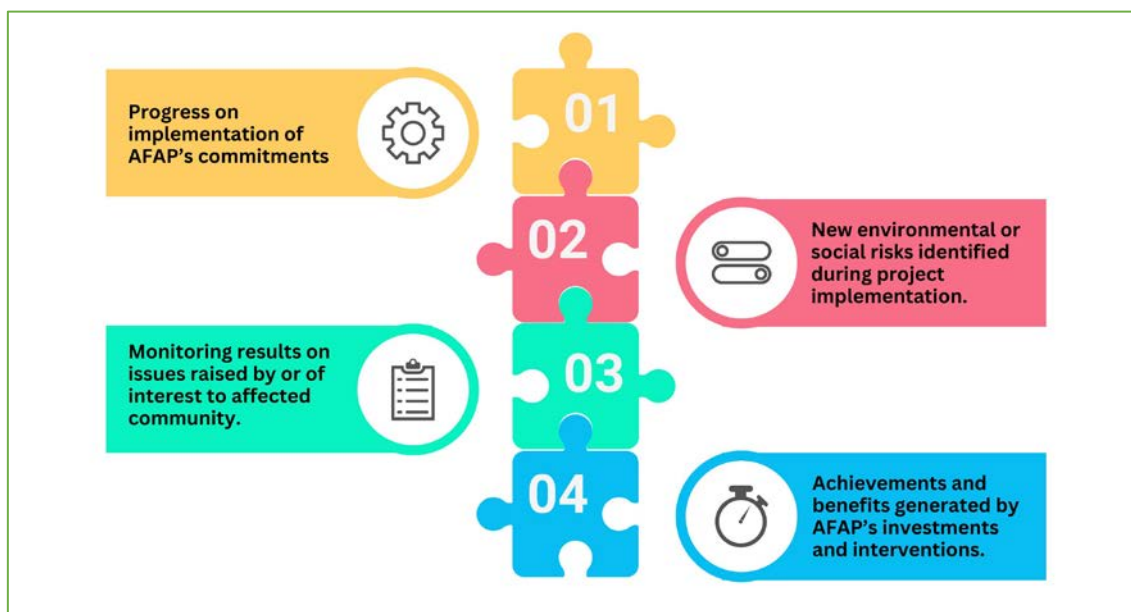


Figure 5: Key Areas of Ongoing Reporting to Affected Communities

10.0 MONITORING AND REVIEW

AFAP commits to soliciting regular feedback from internal and advisory stakeholders, and external experts on its E&S performance. Similarly, AFAP will regularly survey its clients and stakeholders, to understand areas of success and concerns that have not been addressed as well as undertake third-party E&S compliance audits of its performance on an annual basis. Feedback from these sources will be reviewed and used to update/revise the ESMS alongside its associated elements annually to reflect learnings from its dynamic business and regulatory landscape to assure its relevance to AFAP activities and improve future performance both for investees already part of the portfolio, and for future investees.

This ESMS shall be reviewed every 3 years and will be informed by lessons learned across the projects supported as well as other good practices that AFAP subscribes to. AFAP shall notify the donors, lenders, and other stakeholders of any significant changes to this ESMS.

11.0 CONCLUSION

This ESMS provides a framework for integrating environmental and social risk management into AFAP's business processes using environmental and social due diligence procedures implemented concurrently with AFAP's existing risk management arrangements. Consequently, the ESMS shall ensure that AFAP identifies and implements the appropriate environmental and social management measures for its stakeholders/partners/beneficiaries prior to support or investment approval. The ESMS shall also ensure that AFAP implements the necessary level of supervision of stakeholders/partners/beneficiaries during the term of the investment agreement.

The implementation of this ESMS shall enhance AFAP's operational effectiveness, reduce running costs, manage its corporate, operational, and reputational risks; while complying with the relevant country laws, regulations and donor policy requirements.