

# FINDEV CANADA TRANSACTION SUMMARY

## CRDB Bank

This document provides an overview of the FinDev Canada transaction, including a summary of the anticipated development impacts and of the environmental and social (E&S) risk assessment performed, potential risks identified, and related mitigation measures to be implemented.



### Transaction Description

CRDB Bank Plc, established in 1996, is Tanzania's largest bank with a mission to provide inclusive and innovative financial services. Headquartered in Dar es Salaam, it operates across East and Central Africa through subsidiaries in Burundi and the Democratic Republic of Congo.

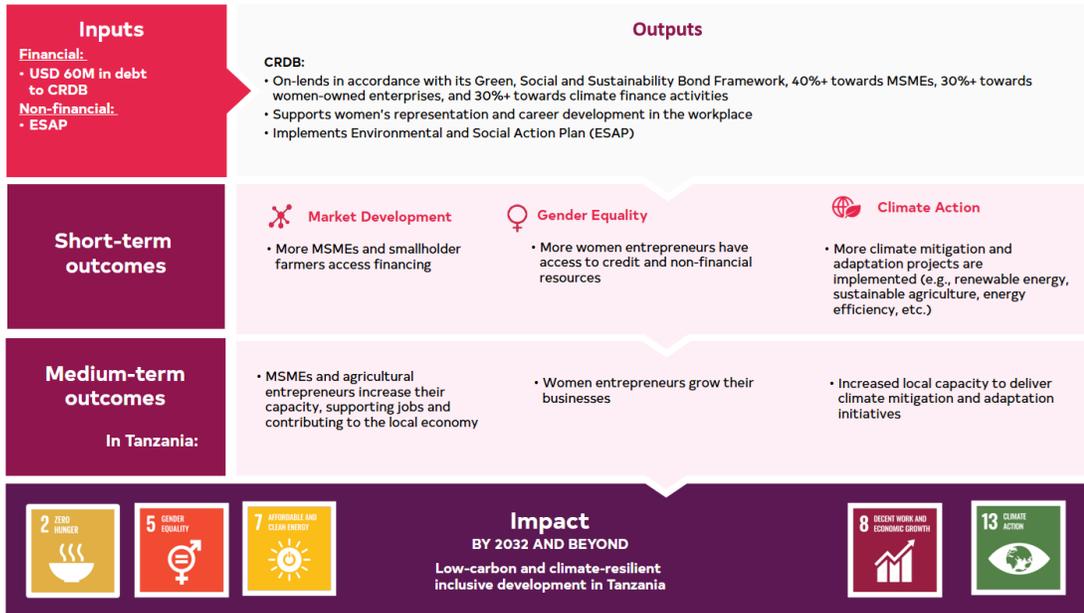
This transaction consists of a senior unsecured loan of up to US\$ 60M with at least 30% of the transaction's proceeds targeting Climate Finance eligible categories, at least 30% earmarked for WMSMEs, and 40% for MSMEs.

### Transaction Details

<b>COUNTERPARTY</b>	CRDB Bank Plc ("CRDB Bank" or the "Bank")
<b>DOMICILE</b>	Tanzania
<b>COUNTRY(IES) OF OPERATION</b>	Tanzania
<b>TERM OF FINANCING</b>	5 years
<b>SECTOR</b>	Financial Industry
<b>E&amp;S CATEGORY</b>	FI2
<b>FINANCING PRODUCT</b>	Debt
<b>FINDEV CANADA TRANSACTION AMOUNT</b>	USD up to \$60M
<b>DATE OF TRANSACTION DISCLOSURE</b>	20 June 2024
<b>DATE OF TRANSACTION SIGNING</b>	29 May 2025
<b>DATE OF TRANSACTION SUMMARY PUBLICATION</b>	27 August 2025
<b>2X ALIGNMENT</b>	Yes- under the Employment and Portfolio criteria

## Summary of Anticipated Development Impacts

The development impact value proposition of CRDB Bank is to promote low-carbon and climate-resilient inclusive development in Tanzania by providing financing for MSMEs and women entrepreneurs, as well as for agriculture and climate finance activities aligned with CRDB Bank's Green, Social and Sustainability Bond Framework.



### MARKET DEVELOPMENT

- **Strengthening MSMEs and agricultural value chains:** MSMEs account for over 95% of businesses in Tanzania<sup>1</sup>, and agriculture employs over two-thirds of the workforce.<sup>2</sup> With more than 40% of proceeds earmarked for MSME<sup>3</sup> financing and CRDB Bank being a leading lender to the agricultural sector, this transaction is expected to expand access to finance for MSMEs, (including those operating in the agriculture sector and smallholder farmers). This is particularly relevant in Tanzania, a least developed country where 45% of the population lives on less than USD 2.15/day and 63% reside in rural areas.

<sup>1</sup>Tanzania Chamber of Commerce, Industry and Agriculture.

<sup>2</sup>International Labour Organization. ILOSTAT. 2020.

<sup>3</sup>CRDB's MSME definition under its Green, Social and Sustainability Framework is: (i) Microenterprises: businesses with loan requirements up to TZS 50M (~USD 20k); (ii) SMEs: businesses with loan requirements between TZS 50M – 5B (~USD 25k – 1.5M)



## GENDER EQUALITY

- **Promoting access to finance for women entrepreneurs:** Women-owned or led MSMEs in Tanzania face a USD 1.7B financing gap,<sup>4</sup> yet less than 30% of SME lending by African banks targets women.<sup>5</sup> This transaction will allocate over 30% of proceeds to women-owned or led MSMEs, including those under Malkia program. CRDB Bank's Malkia program offers reduced collateral requirements, preferential interest rates, and non-financial services such as mentorship and training, may further support women entrepreneurs.
- **2X Qualification under the direct employment criteria and portfolio criterion:** Women represent 45% of employees (satisfying the 2X threshold of 45% in financial services) and have access to initiatives that promote their retention and career development at the Bank, and 30% of the transaction's proceeds will be directed towards women-owned or led MSMEs. The Bank will work on expanding the grievance redressal mechanism to include gender considerations at the portfolio level, ensuring gender safeguards are in place as a pre-condition to quality employment.
- **Promoting women's leadership and decent employment:** CRDB Bank launched the SHE program, which includes initiatives such as the IFC 100 women leadership program; mentoring circles; She Talks sessions on career progression and financial management. The Bank also updated its policies to be more gender inclusive including raising its parental leave to above minimum legal requirements (maternity leave: 100 days vs. 84; paternity leave: 7 days vs. 4), implementing a working from home policy, offering gender-responsive health insurance (e.g., IVF treatment, pre & post-natal maternity care); and ensuring gender-balanced interview panels.



## CLIMATE AND NATURE ACTION

- **Support green lending for the transition to a low-carbon economy:** Tanzania is vulnerable to the impacts of climate change, such as frequent droughts and changing precipitation patterns – particularly impacting agribusinesses and smallholder farmers. The country's climate financing gap is estimated at USD 3.4B annually.<sup>6</sup> This transaction will allocate over 30% of proceeds to climate finance projects aligned with the MDB Common Principles, including renewable energy, biodiversity conservation, sustainable water management, and green buildings. CRDB Bank also aims to strengthen GHG emissions measurement and reporting within its operations.

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<sup>4</sup>The WSME definition under CRDB's Green, Social and Sustainability Framework is: an enterprise which is: (a) at least for 51% owned by a woman or by women, or (b) (i) at least 20% owned by a woman or by women, (ii) with a woman as CEO, COO, President, or Vice President and (iii) if such enterprise has a board of directors, with at least 30% of such board of directors comprised of women.

<sup>5</sup>European Investment Bank. [Finance in Africa](#). 2023.

<sup>6</sup>African Development Bank. [Tanzania Economic Outlook](#). 2023.

## Summary of Environmental and Social Assessment and Related Risk Mitigation Measures

This transaction was assessed in accordance with FinDev Canada's Environmental and Social (E&S) Risk Policy and classified as FI-2, reflecting the nature and size of CRDB Bank's on-lending portfolio. The review applied IFC Performance Standards (PS 1 and 2) as the primary benchmarks, complemented by the Cerise-SPTF Client Protection Principles.

**Potential Risks:** CRDB Bank's portfolio primarily consists of low- and medium-risk activities, including MSME and corporate lending in agriculture, trade, and manufacturing, which may involve impacts such as emissions, resource use, and biodiversity loss. Limited exposure to higher-risk sectors (e.g., petroleum distribution, mining) and potential future financing of large-scale renewable energy, forestry, aquaculture, and green construction projects could present significant E&S risks, including community impacts, health and safety, and biodiversity concerns. Additional risks include client protection for vulnerable borrowers, labor and working conditions for employees and ~30,000 Wakala agents, and gender-based violence and harassment given high country-level risk ratings.

**Mitigation Measures:** CRDB Bank has Environmental and Social Management Procedure (ESMP), supplier management, and HR policies broadly aligned with IFC Performance Standards. The Bank is strengthening internal and external capacity to implement these frameworks, supported by ESAPs from IFU and IFC. While CRDB Bank has not formally adopted the Cerise-SPTF principles, many requirements are addressed through existing practices and national regulations.

**ESAP Actions:** Key actions include enhancing the ESMP, improving grievance mechanisms (including gender considerations), aligning exclusion lists, integrating international standards into due diligence, and strengthening stakeholder engagement and capacity building.

FinDev Canada reviewed CRDB Bank's **E&S Management System, E&S Policy, third-party due diligence reports, and related procedures and audits**. Based on this review, FinDev Canada considers that E&S risks associated with CRDB Bank's operations and on-lending portfolio are generally managed in line with IFC Performance Standards and FinDev Canada's E&S Policy. Identified gaps are addressed through an agreed Environmental and Social Action Plan (ESAP).