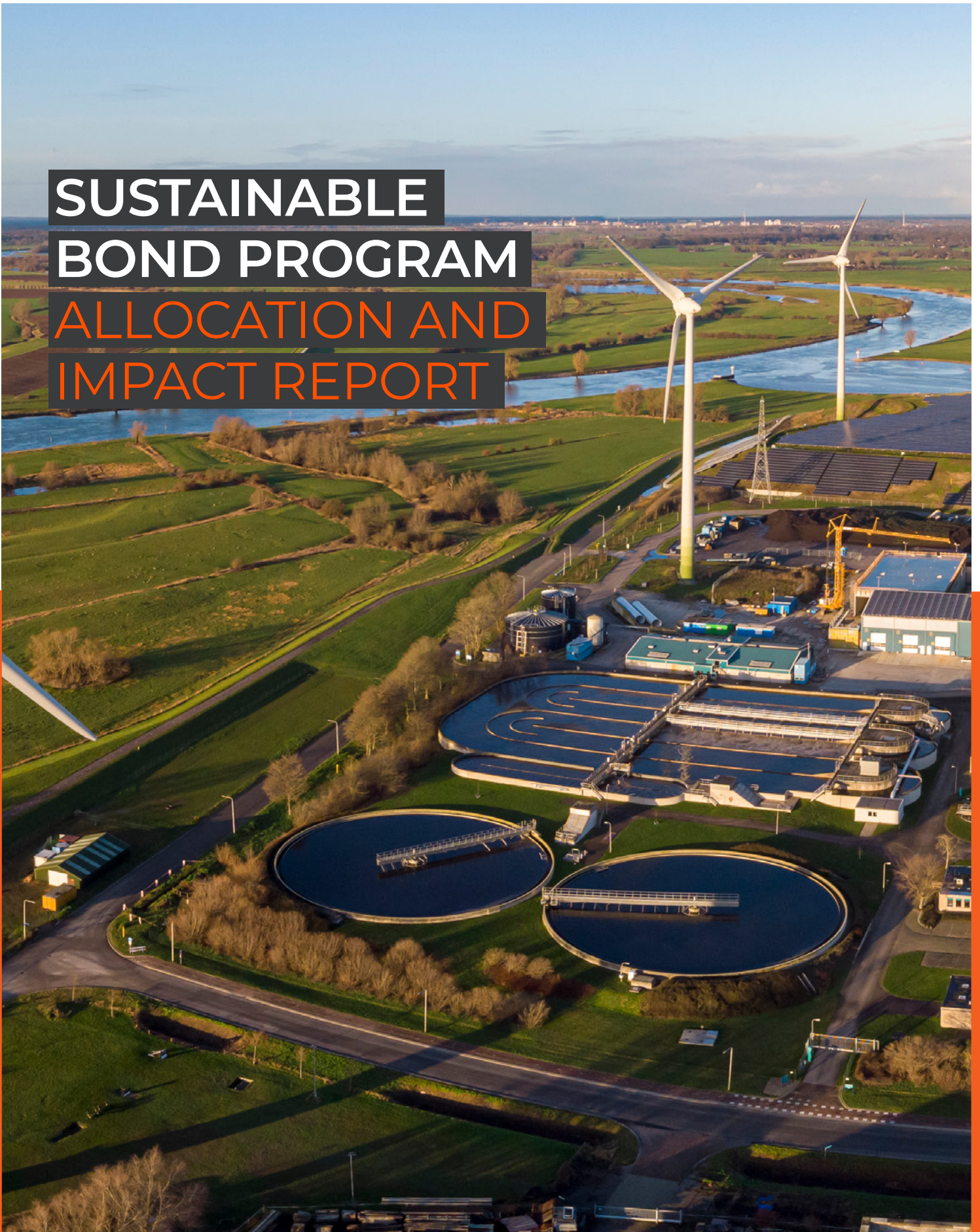


SUSTAINABLE BOND PROGRAM ALLOCATION AND IMPACT REPORT



A photograph of a wind farm at sunset. The sky is a mix of orange, pink, and blue. Several wind turbines are visible, with the one in the foreground being the most prominent. The text 'Table of contents' is overlaid on the image.

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A message from Our CEO

At IDB Invest, our biggest mission is improving the lives of people in Latin America and the Caribbean. Our sustainable bonds are an essential instrument for achieving this mission, connecting financing from capital markets directly to our impact work on the ground; positioning IDB Invest as the reference for private sector investment in the region.

I am pleased to present in this report an overview of our sustainable bond program: The bonds issued in 2022, the projects we financed with those bonds, and their impact to date.

These bonds not only align with IDB Group's core objectives of reducing poverty and inequality, addressing climate change and bolstering sustainable economic growth, they genuinely catalyze social and environmental impact.

Their social impact fosters job creation and economic growth by financing micro, small and medium-sized enterprises (MSMEs), especially those led by women, enhancing farmers access to agricultural services and investments, and promoting international trade, among others. Environmentally, our bonds have significantly supported clean energy production, reducing greenhouse gas emissions and increasing the treatment of wastewater.

This report highlights the importance of these bonds in allowing us to make positive social and environmental contributions in Latin America and the Caribbean. This impact is what has enabled us to build investor confidence and expand their participation in sustainable development across the region.



“ This report highlights the importance of these bonds in allowing us to make positive social and environmental contributions in Latin America and the Caribbean. ”

I thank our investors for their trust and support in promoting the economic development in our regional member countries. Allowing us to connect our sustainability approach with capital markets and giving investors opportunities to support impactful projects.

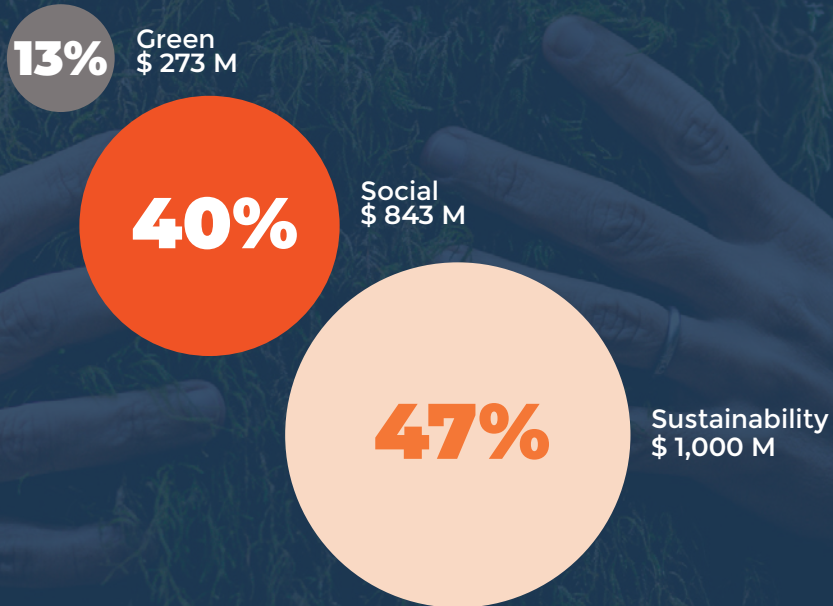
I trust that together we will continue to develop bankable projects that bridge gaps in investments and create opportunities for inclusive and sustainable growth.

James P. Scriven
CEO, IDB Invest

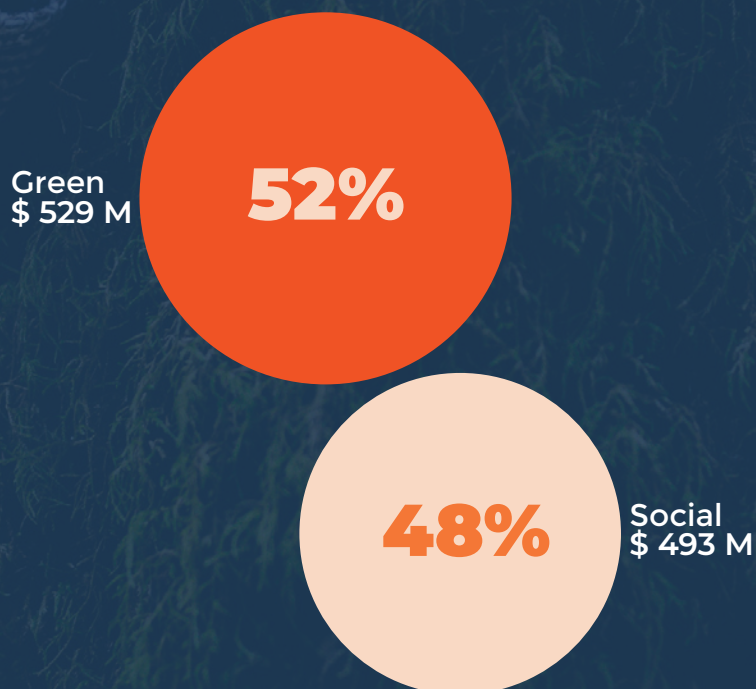
Allocation and Impact at a Glance

2022 Issuance and Allocation Summary

2022 Bond issuance **by type**



2022 Financed Projects **by Category**



Impact Summary

MSMEs financed



2M

Beneficiaries of
employment support
initiatives



16K

Women beneficiaries
of economic
empowerment
initiatives



116K

Farmers with
improved access to
agricultural services
and investments



6K

Households with
improved access to
water or sanitation



327K

Amount of
international trade
promoted (US\$)



8.3BN

Beneficiaries receiving
health services -
TOTAL



1.2M

New residential
connections -
Natural Gas



503K

Students benefited by
education projects -
TOTAL



9K

Greenhouse Gas
Emission Reduction
(Tons of CO₂ equivalent)



8.1M

Energy Generated -
Renewable - (MWh)



117M

Treated wastewater
(m³)



263M




Introduction

At IDB Invest, we promote the economic development of our regional developing member countries by encouraging the establishment, expansion, and modernization of private enterprises in Latin America and the Caribbean (LAC or the region) and supporting projects to bolster competitiveness, inclusive economic growth, and sustainable practices.

Our sustainable bonds connect our approach to sustainability with the capital markets, giving investors opportunities to finance impactful projects through green, social and sustainability bonds (together the “IDB Invest Sustainable Bonds”) issued under our Sustainable Debt Framework (SDF or the Framework).

This report provides an overview of our Sustainable Bond issuances under the Framework in 2022, detailing how the proceeds were allocated to eligible projects, select development impact indicators for all projects financed with IDB Invest Sustainable Bonds as of December 31, 2022, and the alignment of the eligible projects with the United Nations Sustainable Development Goals (SDGs).

A close-up photograph of a person's open palm, facing the camera. The words "OUR FUTURE" are written in large, bold, black capital letters across the palm. The background is a blurred outdoor scene with green foliage.

Our Journey to Paris Agreement Alignment

Addressing climate change and achieving the goals of the Paris Agreement have become urgent priorities worldwide.

In this context, the Inter-American Development Bank Group (IDB Group) has taken a significant step forward in its commitment to climate action. By aligning all of its new financial flows to the Paris Agreement as of January 1, 2023, the IDB Group has emerged as a climate-action leader among regional development banks. This commitment, together with the ambitious target of a 30% floor for climate finance by 2023, are core pillars of our [Climate Change Action Plan 2021-2025](#).

Aligning all transactions to the Paris Agreement underscores our dedication to ensuring our operations do not hinder the transition to low-carbon and climate-resilient economies. **Paris Alignment is not only beneficial for the environment,** but also contributes to the competitiveness of our clients, reduces the climate risk in our portfolio, and helps strengthen IDB Invest's position as the partner of choice for sustainable private sector development in LAC.

IDB Invest follows a comprehensive approach to assess Paris Alignment, requiring a transaction to be aligned to both mitigation and adaptation goals. We apply the principles set in the [“Joint MDB Methodological Principles for Assessment of Paris Agreement Alignment”](#) developed together with other multilateral development banks (MDBs) for financing new operations. Based on these Joint Methodological Principles, the IDB Group has developed the [“IDB Group Paris Alignment Implementation Approach”](#) that sets the methodology, set of principles, and technical guidance on [energy](#), [water and sanitation](#), [transportation](#), [agri-food systems](#), and operations with [financial institutions](#) to carry out the assessment. Furthermore, the “IDB Invest Paris Alignment Implementation Approach” provides a clear governance structure for IDB Invest to conduct the assessments and addresses the unique considerations and requirements of private sector transactions.

In general terms, **alignment with the mitigation objectives** of the Paris Agreement involves ensuring IDB Invest transactions present no inconsistencies with country-owned plans for low-GHG emissions and that they do not undermine the transition to net-zero economies by mid-century, ensuring that any risks of carbon lock-in and/or stranded assets are identified and managed. **Alignment with adaptation objectives** of the Paris Agreement involves ensuring that operations identify and address physical climate risks, consider ways to build climate resilience, and do not contradict national and local priorities for climate adaptation.

IDB Invest employs a two-step assessment approach. First, an initial screening is conducted using uniform criteria to determine if operations are part of the universally aligned or universally not aligned lists. If an operation cannot be classified as universally aligned or not aligned, it undergoes a specific assessment.

The assessment criteria vary based on the nature of the financial instrument being used, whether it is a direct investment, general-purpose corporate finance, or intermediated finance, as illustrated below.



For **direct investments**, the specific assessment considers national circumstances and other contextual factors. The specific assessment criteria ensure that the project is not inconsistent with low-carbon development pathways, considering the Nationally Determined Contribution (NDC), Long-Term Strategy (LTS), sector decarbonization pathways, transition risk, and stranded assets. Alignment to adaptation goals involves assessing the project's resilience to climate change and identifying vulnerabilities.



For **general corporate purpose finance**, which applies to direct investments where the use of proceeds cannot be identified upfront, a counterparty approach is employed. The assessment for mitigation focuses on channeling financing to counterparties committed to transitioning towards Paris Alignment and preventing support for non-aligned activities. Alignment is contingent on assessing whether

the client is on a Paris-aligned pathway, considering factors such as sector decarbonization pathways, country NDC and LTS, and climate context. The approach for adaptation assessment involves adopting a supportive approach toward climate risk management and engaging with exposed counterparties to enhance their climate risk management.



Intermediated finance includes financing delivered through banks, non-banking financial institutions, leasing companies, funds, and other intermediaries. The Paris Alignment assessment considers two elements: the counterparty-based approach and the transaction-based approach. Counterparty alignment is secured when the counterparty is already aligned through voluntary or regulated frameworks, or when they comply with mandatory regulations on climate risk management and disclosures. In the absence of existing alignment, counterparties commit to gradually adopting a credible pathway toward Paris Alignment. The transaction-based approach assesses the use of proceeds, ensuring a limited carbon footprint, low carbon intensity, and low carbon lock-in risk. For adaptation alignment, the analysis focuses on identifying and managing physical climate risks associated with sub-projects or sub-borrowers.



It is worth noting that the Paris Alignment process is based on climate risk materiality. This means that for low climate impact projects or projects where climate risks are well managed, the assessment will be straightforward, and no further action required. Higher risk cases may require a deeper analysis, and we may collaborate with clients to identify opportunities for low-carbon transition or building resilience to climate impacts. Climate-related technical assistance may also be provided to support clients in aligning their projects or business models with Paris-aligned pathways, such as developing decarbonization strategies and climate risk management processes.

Since the announcement of our commitment to align our financial flows to the Paris Agreement, we have been working to enhance our assessment capabilities by developing guidance and tools as well as conducting Group-wide training. The tools include a specialized physical climate risk assessment platform for agribusinesses and a screening tool to identify early-stage Paris Alignment requirements for

financial institutions. Internal training sessions have been conducted across IDB Invest divisions to enhance understanding and skills related to the assessments. In addition, presentations to the Board of Directors have provided updates on the application of the new process and showcased examples of Paris Alignment implementation. Finally, the roll out of the process also highlighted the need for additional sector guidance, including new sectors such as digitalization, buildings and manufacturing, which were developed in 2023 and will be approved in Q1 2024. Additional training, including the launch of an online course on Paris Alignment, Climate Finance, and Green Finance, along with sector guidance trainings, were also carried out in 2023.

At IDB Invest we embrace a philosophy of learning-by-doing and are committed to continuously enhance our capabilities to align our financial flows to the Paris Agreement. We plan to actively incorporate the knowledge gained from our experiences and adapt our guidance and tools to align with the changing landscape of low-carbon and resilient emerging solutions.



Interview with Our **ESG Experts**

*A conversation with **Angela Miller – IDB Invest ESG Expert***



Angela Miller is the Division Chief of the Environmental, Social, and Governance Division at IDB Invest. She has over 27 years of experience in international development focusing on environmental and social risk management in sectors such as infrastructure, agribusiness, financial institutions, among others. Recent highlights of her work include drafting and leading the development of the new IDB Invest Environmental and Social Sustainability Policy and Implementation Manual. Prior to her current role at IDB Invest, Angela was the Division Chief of ESG & Development Effectiveness in the IIC, where she led the development of the former IDB Invest Sustainability Policy (dated in 2013), the IDB Invest Development Framework (including the DELTA), and the team of ESG and development effectiveness specialists. Prior to her work managing the ESG team, she focused on assessing the environmental and social impact of proposed investments in a variety of sectors and supervising the implementation of risk prevention and mitigation measures. She also spearheaded an internationally recognized capacity building program on sustainability topics targeted to the financial sector (IIC and IDB Group clients) in LAC (trained 2000+ FI clients over more than a decade). Prior to her arrival at IDB Invest/IIC, she worked as an environmental and social specialist at the U.S. International Development Finance Corporation (DFC) and several international environmental consulting firms where she focused on high-risk projects managing complex issues related to topics such as indigenous peoples, resettlement, and biodiversity. Angela holds a Bachelor of Science in Environmental Engineering from Queen's University in Canada and a Master of Science in Environmental Management & Ecological Economics from the University of Edinburgh, Scotland.



1. How do you describe the role of the ESG specialist at IDB Invest?

The ESG specialist is a problem solver at the core of IDB Invest's development mission and values. More than performing risk management to ensure a healthy investment portfolio, ESG specialists apply their vast knowledge and experience to help clients navigate actual and potential ESG impacts in their businesses, leading to more sustainable operations and a real positive impact in Latin America and the Caribbean. They are also thought leaders and work enthusiastically to improve market standards and practices and disseminate knowledge on ESG topics, to reach a broader audience and multiply our development outcomes. The ESG team has specialists with a wide range of technical skills that can be deployed to address some of the region's most complex challenges. These include sector-focused expertise on sensitive biodiversity and ecosystems, natural disasters and climate change, human rights, vulnerable groups, diversity and inclusion, in addition to good corporate governance practices, which is transversal across all topics.

2. What does Sustainability mean for IDB Invest?

Sustainability means conducting operations in a responsible and balanced manner, with a view of achieving prosperity and economic growth in the long-term. For IDB Invest, sustainability translates our commitment to development in Latin America and the Caribbean and is deeply ingrained in everything that we do – from structuring finance transactions to deploying technical assistance, managing our portfolio, and measuring the extent of our development impact. Sustainability is also the foundation on which we engage with our own shareholders and stakeholders, including our investors, governments, and civil society.

3. What are the main challenges IDB Invest faces assessing ESG risks?

IDB Invest operates in emerging markets of Latin America and the Caribbean, where contextual risks and structural bottlenecks often create obstacles for strong and healthy private sector development, constraining entrepreneurship and investment, and translating into specific ESG risks for our clients. It is always important to remember that Latin America and the Caribbean is considered one of the world's most unequal regions and also most climate vulnerable regions.

In view of these circumstances, IDB Invest adopts high ESG standards and requires clients to observe these standards, even if they are more demanding than the local regulatory environment. When working with our clients, we strive to understand not only the specific ESG risks that they face but also how they are structured to address these risks in the short, medium, and long run. For example, we may work with clients whose operations are severely exposed to climate change risks. We work to assess the specific risks and the structures available for the client to work on mitigation and adaptation strategies, including a knowledgeable board of directors and in-house skills and expertise in climate-related matters. We can also deploy technical assistance to help with the implementation of mitigation and adaptation strategies in certain cases.

4. IDB Invest Sustainability policy include the IFC Performance Standards, how do you apply them in your ESG assessment?

IDB Invest's Sustainability Framework includes the Environmental and Social Sustainability Policy, the Access to Information Policy, and the Corporate Governance Assessment Guidelines. They determine the approach for the assessment of ESG risks and opportunities and articulate our commitment to sustainable development, ensuring transparency and accountability of our operations.

ESG considerations are factored in throughout the process of financing a client and reflected in all our related decisions. We begin with an initial ESG risk rating, in the early stages of the project. Then, we determine the scope of our ESG analysis, based on the project's likely ESG impacts, and determine which of the IFC Performance Standards will be used in the analysis, and also the focus of our corporate governance review and the extent of any required stakeholder consultations. During due diligence, we assess the risks, impacts, and opportunities for improvement and prepare specific action plans with the aim of avoiding or mitigating risks and maximizing development outcomes. Once we disburse the financing, we closely monitor compliance with our requirements throughout the life cycle of the project.

IN GENERAL,
THE ESG
ANALYSIS OF
IDB INVEST
ADDRESSES
THE
FOLLOWING
ASPECTS:



Environment: pollution, efficient use of resources, greenhouse gas emissions, climate change adaptation and mitigation, habitat destruction, biodiversity, ecosystems and protected areas, waste management, and disaster risk management.



Social: human rights, actual or potential impacts on local communities, working conditions, health and safety, diversity, inclusion, indigenous peoples, vulnerable groups, violence, harassment, cultural heritage, stakeholder engagement, grievance mechanisms, and retaliation.



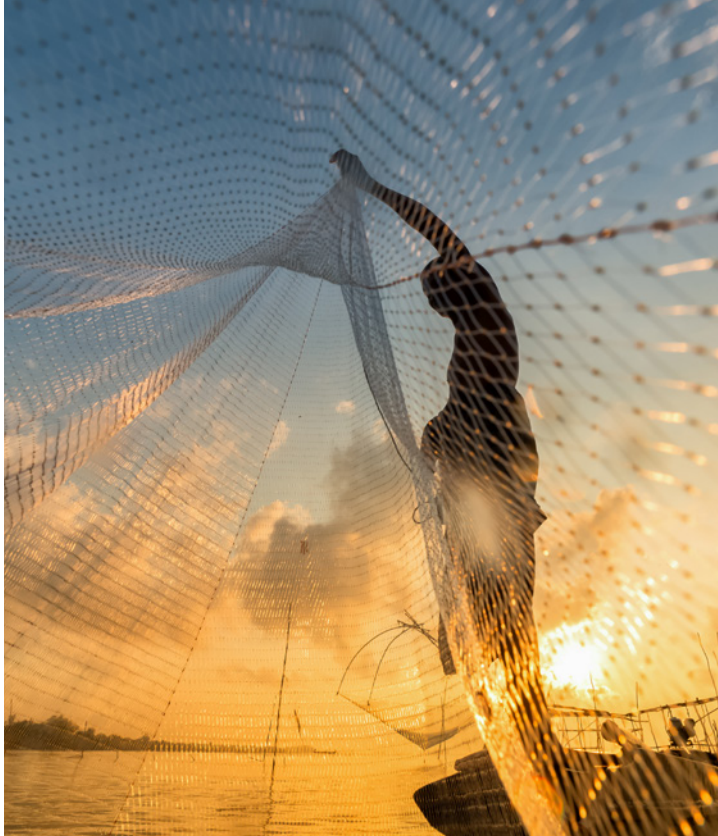
Governance: corporate culture and values, ethical business conduct, transparency in decision making, accountability mechanisms and governance structures, including board of directors (composition, independence, efficiency), control environment (internal controls, risk management, compliance, internal and external audit), disclosure, shareholders, and stakeholder rights.

5. What is your view on current **market trends related to Sustainable Finance**?

There is currently a significant demand for sustainable finance and considerable growth in investor appetite for sustainable finance products. However, global and domestic private capital are not flowing towards Latin America and the Caribbean in proportion to the region's development challenges and demands. Development finance institutions such as IDB Invest, are uniquely positioned to close the gap in sustainable finance, not only because they invest their own capital, but also and more importantly, because they can mobilize funds from international and local investors, utilizing their capacity, reputation, and regional knowledge to de-risk transactions.

6. What does “Do no Harm” **mean for IDB Invest**?

“Do No Harm” is a key principle in sustainable finance that guides investment decisions and practices to minimize adverse environmental and social impacts and ensure that financial activities do not cause harm to people or planet.



IDB Invest's commitments go beyond the “do no harm” principle. While we certainly assess and manage ESG risks and the potential consequences of our financial activities, we believe it is not sufficient to minimize and mitigate negative impacts. Our development mandate, aligned with our purpose, mission, and values, requires us to go beyond “doing no harm” and deploy our strengths to actually “do good”, to have a positive lasting impact on people and planet. This means that we intentionally pursue investments with the purpose of generating a net positive, measurable social or environmental impact alongside financial returns.

*7. Have you developed your own methodology to assess **DNH (Do not Harm) in the projects IDB Invest finances?***

IDB Invest has developed and matured its own assessment methodologies based on internationally accepted principles.

IDB Invest's Sustainability Framework sets the criteria, policies, and standards that enhance the ESG sustainability of our financed projects. It includes the Environmental and Social Sustainability Policy, the Access to Information Policy, and the Corporate Governance Guidelines and Methodology, all of which adopt international standards and reflect changing circumstances, emerging priorities and lessons learned over the previous years. The international standards used for our Sustainability Framework include the IFC Performance Standards on Environmental and Social Sustainability, the World Bank/IFC Environmental, Health and Safety (EHS) General and Industry Guidelines, the G20/OECD Principles of Corporate Governance, and the DFI Corporate Governance Development Framework.

The intentionality of our positive impact in society is reflected in our Impact Management Framework. The framework systematically integrates development impact and financial management into investment decision-making and portfolio management, allowing us to build, measure, and manage a portfolio of financially sustainable investments that contribute to reaching the SDGs. Likewise, IDB Invest has actively participated in the development and is currently a signatory and member of the Advisory Board of the Operating Principles of Impact Management.

Sustainable Bond Program



Overview

2022 marks the second year of IDB Invest's Sustainable Debt Framework: after issuing **\$1.6 billion IDB Invest Sustainable Bonds in 2021, we reached \$2.1 billion in 2022**, bringing the total outstanding amount of IDB Invest's Sustainable Bond Program to **\$3.7 billion, 66% of total outstanding debt.**

New sustainable issuances included a Global U.S. dollar Benchmark Sustainability Bond, an Australian dollar Benchmark Green Bond, a Mexican peso Benchmark Social Bond, and IDB Invest's inaugural Euro Benchmark Social Bond, an important milestone for IDB Invest's funding program. Issuing Euro-denominated bonds opens the opportunity for European investors to support IDB Invest's green and social projects and expands the diversification and flexibility of IDB Invest's financing.



Under the umbrella of the Sustainable Debt Framework, we also introduced innovative green and social bonds. Notably, the Silver Economy Social Bond supporting the financial inclusion of senior citizens in Latin America and the Caribbean. This groundbreaking bond received a Top Deal of the Year award by CMD Portal, a bond data provider. Additionally, we issued two Blue Bonds, a subset of our green bond program dedicated to promoting the sustainable use of water resources and ocean conservancy in the region.

Finally, it is worth noting that Bloomberg has consistently been attributing sustainability, green, or social markers to IDB Invest Sustainable Bonds since their inception (IDBINV <GO>), as represented by the yellow, blue, or green icons, respectively, making it easier for investors to identify IDB Invest's bonds as aligned with the Green Bond Principles, Social Bond Principles, and Sustainability Bond Guidelines promoted by the International Capital Markets Association.



Sustainability Bonds

USD

1B

3 years
April 2022



Social Bonds

MXN

2.5BN

3 years
SME Supply Chain Bond
September 2022

AUD

130M

10 years
Silver Economy Bond
September 2022

EUR

650M

5 years
November 2022



Green Bonds

AUD

300M

5 years
February 2022

AUD

38M

15 years
Blue Bond
September 2022

AUD

50M

20 years
Blue Bond
November 2022



Top Deal Award

2022 CMD PORTAL AWARDS:
**TOP DEAL OF THE YEAR - First AUD
 Silver Economy Bond AUD 103M
 4.55% 10 years**

IDB Invest's AUD Silver Economy Social Bond has been recognized by CMD Portal as a Top Deal. Top Deals are those which stand out as exceptional in the marketplace through a unique structure, market first, or outstanding execution. The bond supports the economic activities, products, and services designed to meet the needs of the ageing population of Latin America and the Caribbean, contributing to SDGs 1 and 10 (Ending poverty and reducing inequality). This bond provides a reference for the issuance of SSA silver economy bonds, therefore encouraging other issuers to follow in this market.

Eusebio Garre, Head of Funding at IDB Invest, commented on the deal:

“Aligning investor expectations with our institutional priorities for diversity and inclusion, and in this case specifically about the financial inclusion for seniors, was essential for the success of this deal. Promoting the silver economy sector is part of our diversity and inclusion strategy, and as the portfolio of silver economy projects at IDB Invest grows, I could see us issuing further silver economy bonds in the future.”

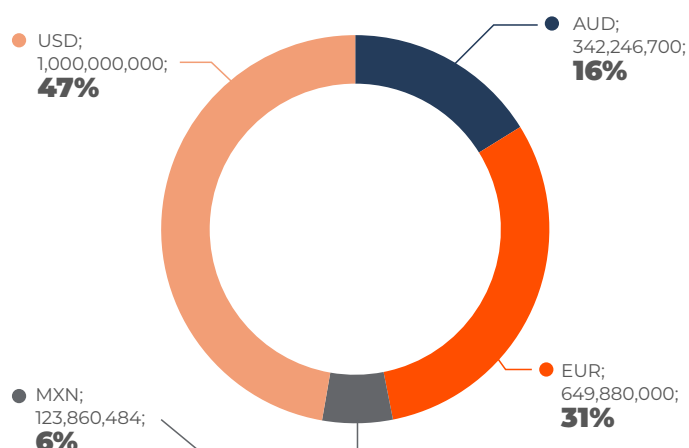


Outstanding Sustainable Bond Issues

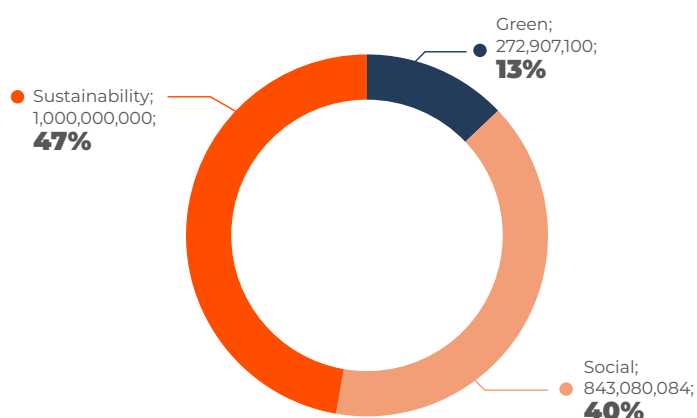
Program	SDF Category	Theme	ISIN	Issue Date	Coupon	Maturity	Currency	Amount Issued	Proceeds in USD
EMTN Program	Sustainability	N/A	XS2297244878	2/10/21	0.625%	2/10/26	USD	1,000,000,000	1,000,000,000
Mexico Bond Program	Social	Gender	MXJIBI0K0036	3/24/21	TIE28 Flat	3/20/24	MXN	2,500,000,000	121,654,501
EMTN Program	Green	Transition	XS2349425657	6/11/21	1,690%	6/11/31	USD	100,000,000	100,000,000
Kangaroo Program	Social	N/A	AU3CB0281285	6/30/21	1,100%	6/30/26	AUD	400,000,000	301,760,000
EMTN Program	Green	Decarbonization	XS2391894404	9/29/21	1,749%	9/29/31	AUD	68,000,000	49,238,800
Kangaroo Program	Green	Blue	AU3CB0284263	11/4/21	2,200%	11/4/31	AUD	50,000,000	37,450,000
Kangaroo Program	Green	N/A	AU3CB0286557	2/17/22	2,300%	2/17/27	AUD	300,000,000	215,100,000
Global Debt Program	Sustainability	N/A	US45828Q2A46	4/22/22	2,625%	4/22/25	USD	1,000,000,000	1,000,000,000
Mexico Bond Program	Social	SME in Value Chains	MXJIBI0K0044	9/1/22	TIE+0.05%	9/2/25	MXN	2,500,000,000	123,860,484
Global Debt Program	Green	Blue	XS2535354745	9/29/22	4,550%	9/29/37	AUD	38,000,000	25,619,600
Kangaroo Program	Social	Silver Economy	AU3CB0292506	9/30/22	Fixed 4.55%	9/30/32	AUD	103,000,000	69,339,600
Global Debt Program	Social	N/A	XS2547604715	11/15/22	Fixed 3,125%	11/15/27	EUR	650,000,000	649,880,000
Kangaroo Program	Green	Blue	AU3CB0294189	11/17/22	Fixed 4.9%	11/17/42	AUD	50,000,000	32,187,500
									3,726,090,485

Note: The proceeds are determined as US\$ at the time of the issuance

2022 Issuance by currency

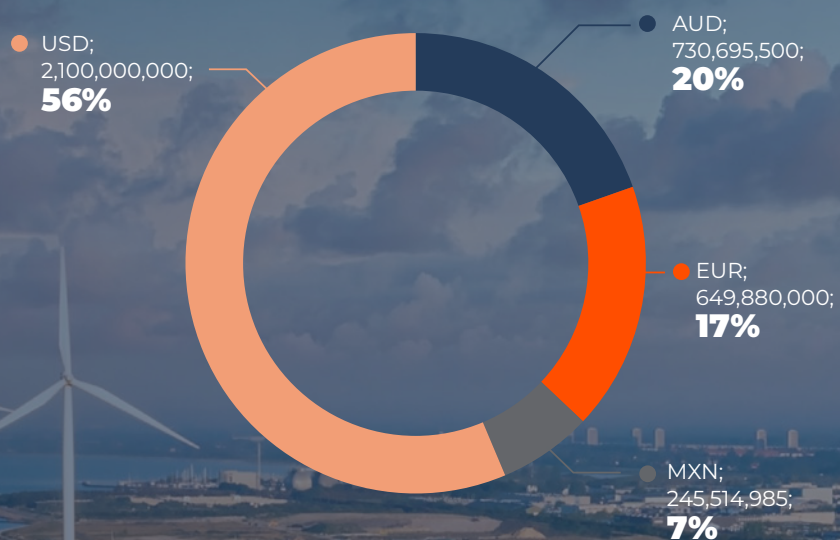


2022 Issuance by bond type

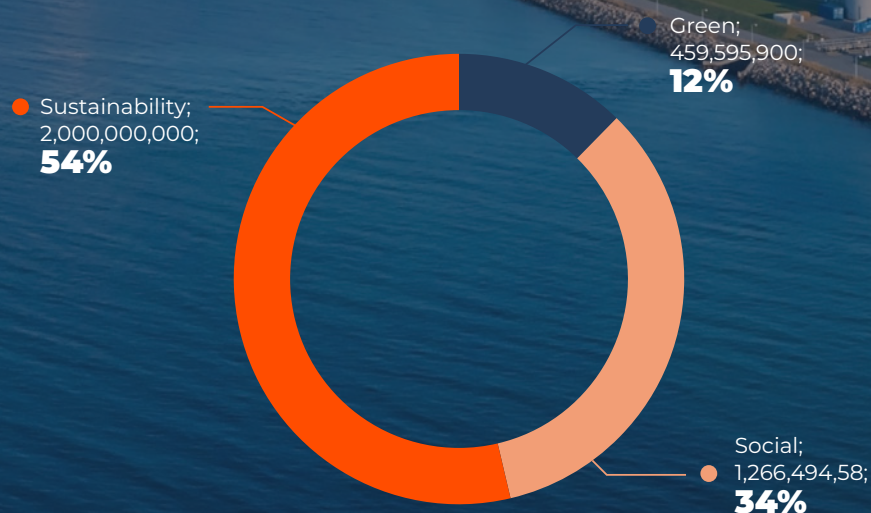


Cumulative Sustainable Bond Issues

Cumulative Issuance by Currency



Cumulative Issuance by Bond Type





Allocation of Proceeds

Overview

Of the \$2.1 billion in bond proceeds raised in 2022, \$1.0 billion was allocated to eligible projects.

Out of this allocation, 38% was allocated to refinancing existing projects, while the remaining 62% was dedicated to financing new projects. Green projects received 57% of the allocated proceeds, while social projects accounted for 43% of the total. Among the green categories, renewable energy was the largest, representing 66% of the distribution, followed by environmentally sustainable management of living natural resources and land use. Within the social categories, the majority (69%) was allocated to socioeconomic advancement and empowerment, followed by affordable basic infrastructure (19%).



Allocated projects by **Country cumulative as of YE 2022**

Country	Amount	%
<i>Argentina</i>	6,000,000	0.23%
<i>Belize</i>	4,000,000	0.15%
<i>Brazil</i>	560,325,414	21.33%
<i>Chile</i>	172,000,000	6.55%
<i>Colombia</i>	275,659,224	10.49%
<i>Costa Rica</i>	20,000,000	0.76%
<i>Dominican Republic</i>	20,000,000	0.76%
<i>Ecuador</i>	226,366,810	8.62%
<i>El Salvador</i>	171,874,587	6.54%
<i>Guatemala</i>	100,000,000	3.81%
<i>Honduras</i>	94,000,000	3.58%
<i>Jamaica</i>	35,000,000	1.33%
<i>Mexico</i>	303,724,860	11.56%
<i>Nicaragua</i>	17,500,000	0.67%
<i>Panama</i>	93,106,274	3.54%
<i>Paraguay</i>	125,874,254	4.79%
<i>Peru</i>	343,920,314	13.09%
<i>Regional</i>	41,000,000	1.56%
<i>Uruguay</i>	16,647,100	0.63%
Grand Total	2,626,998,838	100.00%

Allocated projects by **Category cumulative as of YE 2022**

Row Labels	Sum of Cumulative Allocation 2021 & 2022	Sum of Cumulative Allocation 2021 & 2022_2
<i>Green - Clean transportation</i>	15,504,625	0.59%
<i>Green - Energy Efficiency</i>	21,384,504	0.81%
<i>Green - Environmentally sustainable management of living natural resources and land use</i>	109,000,000	4.15%
<i>Green - Renewable Energy</i>	789,628,617	30.06%
<i>Green - Sustainable water and wastewater management</i>	14,437,770	0.55%
<i>Social - Access to essential services</i>	128,277,770	4.88%
<i>Social - Affordable basic infrastructure</i>	90,679,913	3.45%
<i>Social - Employment generation and programs to alleviate unemployment from socio-economic crises</i>	275,106,274	10.47%
<i>Social - Food security and sustainable food systems</i>	28,543,018	1.09%
<i>Social - Socioeconomic advancement and empowerment</i>	1,154,436,347	43.95%
Grand Total	2,626,998,838	100.00%

Eligible Projects: Commitments and Allocations 2022

Transaction Number	Transaction Name	Country name	Closing Date	Closing Amount	Disbursement Date	Co-Financed (Fund/B-Loan Amount) in US MM	Cumulative Allocation 2021 & 2022	Portfolio	SDG1	SDG2	SDG3	SDG4	SDG5	SDG6	SDG7	SDG8	SDG9	SDG10	SDG11	SDG12	SDG13	SDG14	SDG15	SDG16	SDG17
11363-06	Tanner factoring SMEs II	Chile	4/12/20	360,000,000	11/12/20	50,800,000	36,000,000	Social								Yes	Yes								Yes
11466-03	Nateli B Bond	Uruguay	16/11/20	1,378,100	11/12/20	12,402,900	1,378,100	Green							Yes	Yes	Yes				Yes				Yes
11467-03	Yarnel B Bond	Uruguay	16/11/20	1,429,000	11/12/20	12,861,000	1,429,000	Green							Yes	Yes	Yes				Yes				Yes
11488-04	Sicredi - Green Bond	Brazil	23/12/21	100,000,000	21/01/22	-	100,000,000	Green							Yes	Yes	Yes				Yes				Yes
11749-07	Banco Guayaquil Social Bond	Ecuador	2/12/20	20,000,000	16/12/20	-	15,000,000	Social	Yes					Yes		Yes	Yes								
11752-03	Banco Promerica: SME Financing Partnership	Costa Ric	4/06/19	20,000,000	13/09/19	-	20,000,000	Social								Yes	Yes								
11762-06	Pichincha Gender Bond	Ecuador	31/12/21	50,000,000	29/03/22	-	17,500,000	Social					Yes			Yes	Yes								
11843-02	Daycoval Sustainable Financing Partnership	Brazil	5/12/19	150,000,000	19/12/19	275,559,100	100,000,000	Social					Yes			Yes	Yes	Yes							Yes
11859-02	Alianza con Banco Internacional para Fomentar el Financiamiento Verde para PYMES	Ecuador	9/12/19	30,000,000	18/12/19	-	15,000,000	Social								Yes	Yes			Yes					
11861-03	Promerica El Salvador - Sustainable Bond	El Salvado	29/12/21	20,000,000	15/06/22	-	15,874,587	Social																	
11894-03	Xoxocotla Solar PV	Mexico	27/12/19	9,303,031	28/08/20	7,921,248	9,303,031	Green							Yes	Yes	Yes				Yes				Yes
11984-02	Klablin II	Brazil	31/10/19	180,000,000	20/05/20	267,614,841	20,000,000	Green							Yes	Yes	Yes			Yes					Yes
12090-02	Factotal COVID-19 Mitigation Financing Partnership	Chile	29/06/21	15,000,000	15/07/21	7,000,000	15,000,000	Social								Yes	Yes								
12092-02	New Juazeiro Bifacial Solar Power Project	Brazil	18/09/20	5,078,000	18/12/20	15,000,000	52,103,342	Green					Yes		Yes	Yes	Yes	Yes			Yes				
12092-03	Casablanca PV Bifacial Solar Power Project	Brazil	31/12/20	80,450,000	10/05/21	10,000,000	82,846,531	Green					Yes		Yes	Yes					Yes				
12114-03	Davivienda Subordinado	Colombia	24/09/20	100,000,000	30/09/20	20,000,000	100,000,000	Social								Yes	Yes			Yes	Yes				Yes
12174-02	Banistmo Gender Bond	Panama	1/08/19	50,000,000	26/08/19	-	50,000,000	Social					Yes			Yes	Yes	Yes							
12201-01	Emergencias Argentina	Argentina	27/03/19	10,000,000	28/06/19	15,000,000	6,000,000	Social				Yes				Yes		Yes		Yes					
12249-01	Brookfield - BRK/RMR W&S Project in Recife	Brazil	16/04/19	114,106,955	12/06/20	-	14,437,769	Social	Yes		Yes		Yes	Yes		Yes	Yes			Yes					
12249-01	Brookfield - BRK/RMR W&S Project in Recife	Brazil	16/04/19	114,106,955	12/06/20	-	14,437,769	Green																	
12282-01	Hotel La Compania	Panama	28/02/20	10,219,366	21/05/21	-	13,106,274	Social	Yes							Yes	Yes		Yes						Yes
12292-01	Grupo Kowl	Mexico	23/12/20	20,826,810	23/03/21	-	14,676,208	Social	Yes							Yes				Yes					Yes
12297-03	Agrofertl - Expansion Capex	Paraguay	25/11/21	10,000,000	20/12/21	-	10,000,000	Social								Yes	Yes			Yes					
12325-01	Cooperativa de Ahorro y Crédito Pacifico	Peru	4/04/19	10,000,000	7/05/19	-	10,000,000	Social								Yes	Yes			Yes					
12340-01	PPP EDUCATIVA 2 URUGUAY	Uruguay	29/01/20	25,000,000	26/03/20	-	13,840,000	Social	Yes			Yes					Yes								
12343-02	Primus Capital Post COVID-19 Recovery Financing Partnership	Regional	15/12/21	20,000,000	23/12/21	7,000,000	20,000,000	Social								Yes	Yes								Yes
12357-01	CMAC Huancayo	Peru	9/11/20	16,000,000	30/11/20	-	15,858,340	Social	Yes							Yes	Yes	Yes		Yes					
12362-01	American Industrial Park	El Salvado	23/06/20	8,000,000	29/06/20	-	8,000,000	Green							Yes	Yes	Yes			Yes	Yes				
12362-02	Orion IP & Free Zone	El Salvado	14/12/21	18,000,000	4/01/22	-	18,000,000	Green							Yes	Yes				Yes					
12375-01	Grupo Eclatex/San Juan Textiles	Hondura	22/06/20	64,000,000	28/07/20	32,000,000	64,000,000	Social	Yes			Yes			Yes	Yes	Yes								Yes
12378-01	Puerto de Uraba	Colombia	30/12/21	150,000,000	6/05/22	50,000,000	8,191,263	Social								Yes	Yes			Yes					Yes
12402-01	Navojos Solar PV	Mexico	14/05/19	23,316,874	11/10/19	11,698,437	12,000,000	Green							Yes	Yes	Yes			Yes	Yes				Yes
12457-02	Banco Bolivariano Subordinated Loan	Ecuador	18/11/21	10,000,000	16/12/21	10,000,000	9,000,000	Social								Yes	Yes			Yes					Yes
12457-02	Banco Bolivariano Subordinated Loan	Ecuador	18/11/21	10,000,000	16/12/21	10,000,000	1,000,000	Green																	
12467-01	Grupo Kattan	Hondura	13/12/19	3,500,000	11/02/20	-	5,000,000	Green								Yes	Yes	Yes	Yes		Yes	Yes			
12511-01	Corporacion Favorita	Ecuador	22/01/20	230,000,000	27/05/23	85,500,000	90,000,000	Social								Yes	Yes	Yes		Yes	Yes				Yes
12597-01	CRN - CCN Reciclaje	Nicaragu	27/03/20	20,000,000	23/04/20	-	17,500,000	Social								Yes	Yes	Yes		Yes					Yes
12621-01	Bancolombia Emisión de Bonos Sostenibles	Colombia	3/07/19	204,618,237	19/07/19	-	78,435,191	Social						Yes	Yes				Yes		Yes				
12621-01	Bancolombia Emisión de Bonos Sostenibles	Colombia	3/07/19	204,618,237	19/07/19	-	12,384,503	Green																	
12621-01	Bancolombia Emisión de Bonos Sostenibles	Colombia	3/07/19	204,618,237	19/07/19	-	12,384,503	Green																	
12678-01	CAME	Mexico	4/08/21	14,983,018	17/09/21	-	14,935,074	Social	Yes							Yes	Yes								
12710-01	LD Celulose SA	Brazil	29/05/20	200,000,000	28/09/20	300,000,000	109,000,000	Green				Yes			Yes	Yes	Yes			Yes					Yes
12766-01	HITEC	Mexico	7/02/20	15,000,000	6/03/20	-	18,830,000	Social								Yes	Yes								
12789-01	Tiendas TIA	Ecuador	1/05/20	30,000,000	4/06/20	-	30,000,000	Social							Yes	Yes	Yes			Yes	Yes				
12793-03	JIMB Bank Partnership	Jamaica	23/12/20	35,000,000	15/01/21	31,000,000	35,000,000	Social				Yes				Yes	Yes	Yes		Yes	Yes				
12822-01	VARMOXZ	Mexico	7/05/20	46,500,000	26/05/20	20,000,000	46,500,000	Social								Yes	Yes			Yes					Yes
12824-02	BAC El Salvador - Support to "Mujer Acelera" Program	El Salvado	25/08/20	60,000,000	17/09/20	-	60,000,000	Social					Yes			Yes	Yes	Yes							Yes
12853-02	BAC Guatemala - SME Partnership and Digitalization Promotion	Guatemala	12/08/20	100,000,000	26/08/20	-	100,000,000	Social								Yes	Yes								Yes
12872-01	Avia Chile WHL	Chile	29/07/21	40,000,000	30/08/21	-	27,000,000	Social												Yes					
12893-01	La Pimienta Solar Project	Mexico	21/01/21	68,950,000	21/05/21	-	47,227,998	Green					Yes		Yes	Yes	Yes				Yes				Yes
12933-01	Sudameris MSME Financing Partnership	Paraguay	21/05/20	45,437,334	17/06/20	-	14,885,604	Social								Yes		Yes							
12976-01	BDMG - Sustainable Bond	Brazil	18/12/20	50,000,000	29/12/20	-	34,000,000	Social		Yes	Yes		Yes		Yes	Yes	Yes			Yes		Yes			Yes
12976-01	BDMG - Sustainable Bond	Brazil	18/12/20	50,000,000	29/12/20	-	8,000,000	Green																	
12976-01	BDMG - Sustainable Bond	Brazil	18/12/20	50,000,000	29/12/20	-	8,000,000	Green																	
12995-01	Engie Decarbonization Instrument	Chile	23/12/20	74,000,000	27/08/21	51,000,000	74,000,000	Green							Yes	Yes				Yes					Yes
13001-01	Mercader Financial - SME Financing Partnership	Mexico	13/10/20	18,862,319	6/11/20	-	19,334,506	Social							Yes	Yes	Yes			Yes					
13019-01	Caja Arequipa Bono Mujer	Peru	4/12/20	16,000,000	18/12/20	-	16,061,974	Social	Yes				Yes				Yes	Yes							Yes
13057-01	Konfio Warehousing Line	Mexico	17/09/20	38,126,465	23/10/20	-	10,974,547	Social								Yes	Yes				Yes				Yes
13102-01	Kubo Financiero	Mexico	4/06/21	10,000,000	18/06/21	-	9,943,493	Social					Yes			Yes	Yes								
13146-01	Cáldida Corporate Loan	Peru	11/08/20	100,000,000	28/08/20	-	100,000,000	Social								Yes	Yes								
13289-01	Green Power Assets (Magdalena)	Mexico	27/02/20	26,670,000	9/03/20	13,330,000	26,670,000	Green							Yes	Yes	Yes				Yes				Yes
13290-01	Green Power Assets (Dolores)	Mexico	27/02/20	46,660,000	9/03/20	23,340,000	46,660,000	Green																	
13291-01	Green Power Assets (Amistad IV)	Mexico	27/02/20	26,670,000	9/03/20	13,330,000	26,670,000	Green																	
13316-01	Capital Bank SME Financing Partnership	Panama	17/06/21	30,000,000	30/06/21	22,000,000	30,000,000	Social																	Yes
13420-01	PV Llanos 3	Colombia	12/10/21	15,802,883.27	29/10/21	8,400,000	940	Green							Yes	Yes					Yes				Yes
13424-01	El Rosado Ecuador	Ecuador	23/12/21	25,000,000	4/04/22	50,000,000	25,000,000																		



Impact Report

Impact management framework

Our Impact Management Framework is an end-to-end series of tools and practices that support the complete project lifecycle and integrate impact and financial considerations into project origination and portfolio management. It aims to fulfill three main objectives:

1. Build, measure, and manage a portfolio for impact;
2. Ensure learning from operational experience and the generation and dissemination of knowledge; and
3. Ensure timely and transparent reporting on development impact to our stakeholders.

This framework allows IDB Invest to maximize development impact and contribute to reaching the SDGs in the region. It is fully aligned with leading global initiatives, such as the Operating Principles for Impact Management, of which IDB Invest is a signatory and a member of the Advisory Board, and the OECD-UNDP Impact Standards for Financing Sustainable Development, as well as the Impact Management Project's five dimensions of impact. The Principles provide a framework to guide investors on the integration of impact considerations throughout the investment lifecycle. As a signatory to the Principles, IDB Invest publicly discloses, on an annual basis, the alignment of our impact management systems with the Principles and, at regular intervals, arranges for independent verification of this alignment.

Interpreting IDB Invest's Impact

IDB Invest's impact rating system: The DELTA¹ is a fact-based scoring system that assesses the impact potential of each investment, assigning a score from zero to 10, and tracks results achieved over time. The DELTA score is a key decision-making factor in IDB Invest's portfolio approach, together with the Financial Contribution Rating, which assesses each investment's contribution to IDB Invest's long-term financial sustainability based on the risk-adjusted return on capital (RAROC). Proposed investments must meet certain impact and financial rating thresholds, with decreasing financial contribution requirements for highly impactful investments.

The DELTA score is based on four key elements: an approximation of the economic and social rate of return (monetization) of each investment, complemented by a stakeholder analysis to ensure that the most important direct and indirect effects are considered, a sustainability assessment, and an assessment of the additionality that IDB Invest brings to the project.

The DELTA also serves as a management tool, collecting data on impact results from individual projects to help visualize the evolution of the portfolio as a whole and identify patterns, gaps, and key predictors of impact success. In addition to the comprehensive impact analysis that goes into the score itself, each project has a results matrix with specific indicators and targets relevant to its theory of change and impact objective, including indicators to track the project's contribution to identified SDG targets.

Each project also has a monitoring and evaluation plan that outlines how these

indicators will be tracked and measured throughout implementation, and ultimately, evaluated at the end of a project to determine whether objectives were achieved. This plan specifies the frequency, methods, sources, and responsibilities for data collection and analysis. Whenever possible, indicators are aligned with standardized metrics from the [Harmonized Indicators for Private Sector Operations \(HIPSIO\)](#) or the IRIS+ system.

Therefore, the DELTA's structure paves the way for ongoing measurement of impact results against expectations throughout the lifetime of the project. As part of the annual supervision exercise that integrates both financial and impact performance, the DELTA Project Score is updated on a client level basis to reflect actual performance toward achieving impact targets set in the results matrix, allowing for a portfolio view of ongoing impact achievements.



¹ Development Effectiveness, Learning, Tracking, and Assessment

The impact Indicators selection:

The impact indicators presented in this report have been carefully chosen from a range of impact indicators. The purpose is to provide an aggregate overview of the anticipated and actual outcomes across various sectors and country contexts within the allocated portfolio.



Scope of the impact results:

The impact indicators are tracked on a project-level basis. Unless otherwise indicated, reporting is based on data reported by clients on an annual basis following the requirements established in the legal documentation.

Ex-ante estimates of end-of-project impacts-as estimated at the time of project appraisal-are also included where possible. For confidentiality reasons, the impact results shown in this report are aggregated on a portfolio basis. The expected end-of-project values (EOP) for each impact metric represent the cumulative expected results set as targets for each project; however, not all indicators monitored and reported are required to set EOPs; this information is required only for selected indicators linked to the main outcomes and objective of each project. Actual and planned EOP values can be revised from time-to-time to improve measurement and/or account for changes in the underlying methodology used by the client to calculate or report indicators. In these cases, we have an internal protocol in place to ensure consistency in the evaluability of the project. Therefore, proper justification needs to be provided and approved by the Chief of Development Effectiveness.



Reporting impact period:

The impact metrics reported herein represent the cumulative impact indicators reported by allocated projects for the period 2019-2022. Projects may generate additional impact across a wider range of indicators than captured in this report.

Reporting impact for co-financed projects:

IDB Invest often co-finances projects with other lenders. The results for the individual project are based on the total project, including all financiers. The indicators presented herein have not been prorated for the contribution of each financier. However, for certain indicators, IDB Invest applies attribution rules based on its contribution to the total project.

GHG Emission Methodology

The estimation of net avoided greenhouse gas (GHG) emissions is performed following the practices of the Clean Development Mechanism (CDM), using the approach of with versus without-project scenario. Avoided emissions are calculated as the product of electricity generation from clean or low-carbon sources by the relevant emission factor for the country. The emission factor is chosen to better reflect the emissions associated with the counterfactual scenario, considering the project's technology and context. At the structuring stage, the analysis is based on the most recent emission factor from official sources or, in the absence of information, from the Default Grid Emission Factor Dataset, produced by the International Financial Institutions Technical Working Group on Greenhouse Gas Accounting (IFI TWG).

Target Population

The definitions and the mechanism to identify target populations are integrated into the DELTA Impact Rating System explained above. As recommended by the Social Bond Principles in the guidance document, Working Towards a Harmonized Framework for Impact Reporting for Social Bonds, at IDB Invest, we created a list of potential target populations depending on the nature and socioeconomic context of the Eligible Project, defined as follows:



Low-income population:

individuals living above the poverty line but below the national median income.



Vulnerable population:

those with a daily per capita income of \$4 to \$10 at Purchasing Power Parity (PPP).



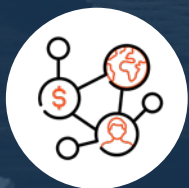
Poor population:

those living in poverty based on a daily per capita income of less than \$3.10 per day at 2011 PPP or on the most recent national official poverty threshold.



Diverse population:

indigenous peoples, African descendants, persons with disabilities, and LGBTQ+ persons. Excluded populations refer to people excluded due to ethnicity, language, religion, political or other opinion, national or social origin.



MSMEs:

defined based on the common reporting definition in the host country and/or the definition used by the financial intermediaries supported, to categorize their loan portfolio according to the size of sub-borrowers.




















Women-led MSMEs and/or women-headed households:

A women-led business is defined as an enterprise that is controlled at least 51% by women or where the Chief Executive Officer (CEO) and/or Chief Operations Officer (COO) or equivalent (highest managerial) position(s) (e.g., General Manager, President) is held by a woman; or the client's definition.²

² Please note that in some cases projects adopt a different definition based on the client's specific definition consistent with the national context and regulation.





Impact Metrics

Social Impact Metrics

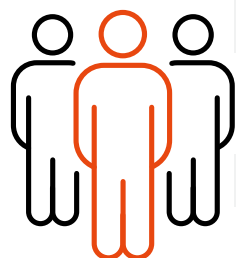
	Metric	Actual
	Jobs supported by firms	90,940
	MSMEs financed	1,976,715
	Beneficiaries of employment support initiatives	16,423
	Women beneficiaries of economic empowerment initiatives	116,774
	Farmers with improved access to agricultural services and investments	5,672
	Households with improved access to water or sanitation	327,413
	Amount of international trade promoted (US\$)	8,337,799,990
	Beneficiaries receiving health services - TOTAL	1,172,325
	Number of Loans Disbursed - Women-owned/led MSMEs	774,403
	Value of Export Sales - n(US\$)	8,337,799,990
	Domestic MSME Clients	
	Total Value of Sales - (US\$)	23,036,771,442
	Value of Goods Purchased from Domestic MSMEs - (US\$)	4,706,841,751
	New residential connections - Natural Gas	503,049
	Domestic MSME Suppliers	16,261
	Roads built or upgraded (KM)	154
	Students benefited by education projects - TOTAL	9,462

Impact Metrics

Green Impact Metrics

	Metric	Actual	Expected
	Installed Power Capacity - Newly Added- Renewable Sources - (MW)	1,501	2,932
	Greenhouse Gas Emission Reduction (Mill. Tons of CO ₂ equivalent)	8.10	52
	Energy Generated - Renewable - (MWh)	12,150,904	117,121,149
	Treated wastewater (m3)	262,667,438	214,669,120


















Target Populations



	Target Population	Number of projects	Amount allocated
	Excluded population	2	19.8M
	Low-income population	9	333.2M
	MSMEs	40	1,247,3M
	Vulnerable population	4	62.9M
	Women-Led and/or women-headed households	5	186.5M
	Poor population	0	0

Cumulative Allocation 2021 & 2022

Projects

1 NO POVERTY 	SDG1	13
2 ZERO HUNGER 	SDG2	3
3 GOOD HEALTH AND WELL-BEING 	SDG3	3
4 QUALITY EDUCATION 	SDG4	2
5 GENDER EQUALITY 	SDG5	17
6 CLEAN WATER AND SANITATION 	SDG6	2
7 AFFORDABLE AND CLEAN ENERGY 	SDG7	27
8 DECENT WORK AND ECONOMIC GROWTH 	SDG8	68
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 	SDG9	60
10 REDUCED INEQUALITIES 	SDG10	17
11 SUSTAINABLE CITIES AND COMMUNITIES 	SDG11	4
12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	SDG12	28
13 CLIMATE ACTION 	SDG13	28
14 LIFE BELOW WATER 	SDG14	
15 LIFE ON LAND 	SDG15	1
16 PEACE, JUSTICE AND STRONG INSTITUTIONS 	SDG16	
17 PARTNERSHIPS FOR THE GOALS 	SDG17	44

Investment Highlights

(6 client stories)

Bac el Salvador - Support to “Mujer Acelera” Program

Category: Social

Sub-category: Social - Socioeconomic advancement and empowerment

Approved Amount: US\$60MM

Total Mobilization: US\$60MM

Approval Year: 2020

Disbursement Year: 2020

Country: El Salvador

5 GENDER
EQUALITY



8 DECENT WORK AND
ECONOMIC GROWTH



9 INDUSTRY, INNOVATION
AND INFRASTRUCTURE



10 REDUCED
INEQUALITIES



17 PARTNERSHIPS
FOR THE GOALS





Project Description:

BAC El Salvador provides financing for small and medium enterprises (SMEs) and women-led initiatives. Through its programs: Promotion of Small and Medium Enterprises (PROPEMI) and “Mujer Acelera”, the bank specializes in offering financial products to both SMEs and women-led SMEs (WSMEs), as well as in providing tailored solutions, training, and business advice to its clients.

In 2020, IDB Invest provided a US\$60 million loan to foster the growth of BAC El Salvador’s SME and WSME portfolios. In 2022, IDB Invest mobilized additional resources for the project through another US\$60 million loan. As part of this project, and with support from the Women Entrepreneurs Finance Initiative (We-Fi), IDB Invest is offering a performance-based incentive to BAC El Salvador upon increasing its WSME portfolio. IDB Invest also provided advisory services to strengthen BAC El Salvador’s “Mujer Acelera” program, including a diagnosis on gender-based digital and technology gaps and the design of a gender value proposition for financial and non-financial services and products that serve the needs of WSMEs. As a result, BAC El Salvador launched a new product, “Mujer Puedes +”, which offers more appropriate conditions for financing WSMEs.

The project contributes to promote entrepreneurship and enhance women’s economic empowerment and leadership in El Salvador.

1,473

*Loans disbursed to
WSME (2020-2022)*

4,189

*loans disbursed to
SMEs (2020-2022)*

730

*WSME clients
benefited*

2,336

SME clients benefited

Banco Bolivariano *Subordinated Loan*

Category: Green and Social
Sub-category: Social - Socioeconomic advancement and empowerment
Sub-category 2: Green-Energy efficiency
Approved Amount: US\$10MM
Total Mobilization: - US\$20MM
Approval Year: 2021
Disbursement Year: 2021
Country: Ecuador

8 DECENT WORK AND
ECONOMIC GROWTH



9 INDUSTRY, INNOVATION
AND INFRASTRUCTURE



13 CLIMATE
ACTION



17 PARTNERSHIPS
FOR THE GOALS





Project Description:

Banco Bolivariano is a private bank in Ecuador that offers a range of financial services for individuals and corporate customers. Banco Bolivariano strives for excellence and expertise; it offers customers an effective technology network through ATMs and online banking services and develops innovative financial products tailored for each client's segment. With an 8,5% share of the total assets of the private banking system as of 2021, Banco Bolivariano is the sixth largest financial institution in the country.

IDB Invest helped Banco Bolivariano to finance small and medium-sized enterprises (SMEs) in Ecuador and expand the bank's green lending portfolio. IDB Invest also provided technical assistance to the bank, including diagnostic tools and support to better define its sustainability strategy.

The project supports SMEs— an underserved, credit-constrained segment despite their important contribution to the economy and employment—while promoting environmentally sustainable economic activity.

In 2022, the project achieved the following results:

1,069
loans disbursed to
SMEs in 2022

40
green loans disbursed
in 2022

261
SMEs clients
benefited in 2022

Almost
80,000kW/year
of energy savings and 51
tons of CO₂eq avoided
through green projects
financed.

Banco Promerica: *SME Financing Partnership*

Category: Green and Social
Sub-category: Social - Socioeconomic advancement and empowerment
Approved Amount: US\$20MM
Approval Year: 2019
Disbursement Year: 2019
Repayment: 2023
Country: Costa Rica

8 DECENT WORK AND
ECONOMIC GROWTH



9 INDUSTRY, INNOVATION
AND INFRASTRUCTURE



13 CLIMATE
ACTION





Project Description:

Promerica, part of Grupo Promerica, is a private Costa Rican bank whose operations are targeted primarily at the corporate and SME segment. Promerica also provides retail services, with a strong product suite in credit cards and mortgages.

IDB Invest provided financing to Banco Promerica to support the growth of its SME portfolio and its nascent green portfolio. The project combined financing with advisory services focused on: (i) supporting the bank in adopting best practices and methods to promote and market its green line portfolio products; and (ii) supporting the bank in the preparation process of its planned issuance of a sustainable bond. Both advisory services were carried out successfully. Promerica's outstanding SME portfolio managed to grow 4,7%² from 2018 to 2022. Similarly, during the same period, Promerica's green lending portfolio was redefined and grew 15,5%.

With this investment, IDB Invest supported the underserved SME sector in Costa Rica by allowing Promerica to finance SMEs on a longer-term basis. In January 2021, Promerica continued advancing its sustainability strategy and issued its first sustainable bond, raising a total of US\$10 million. The proceeds generated were directed towards financing either partially or fully green and social loans. Later in the same year, Promerica issued a second bond, raising a total of US\$20 million. With the issuance of its early 2021 sustainable bond, Promerica became the first private Central American bank to issue a sustainable bond.

6,578

*loans disbursed to
SMEs (2019-2022)*

1,634

*green loans disbursed
(2019-2022)*

Nearly
1,000

*SMEs clients received
financing in 2022*

Expanding Solar Energy Power in Brazil Through the Casablanca Project

Category: Green
Sub-category: Renewable energy
Approved Amount: US\$141MM
Amount mobilized: US\$10MM
Approval Year: 2020
Disbursement Year: 2021
Country: Brazil

5 GENDER
EQUALITY



7 AFFORDABLE AND
CLEAN ENERGY



8 DECENT WORK AND
ECONOMIC GROWTH



13 CLIMATE
ACTION



17 PARTNERSHIPS
FOR THE GOALS





Project Description:

The Casablanca Project consists of the design, construction, commissioning and operation of 6 photovoltaic solar power plants in the State of Minas Gerais, Brazil. The project is the second power plant in Brazil with a long-term U.S. dollar- linked PPA to be financed under a project finance modality, and the third solar project in Brazil to incorporate bifacial panels.

With this project, IDB Invest is supporting Casablanca, a relatively small independent clean energy generator, to add 297MWac of zero-carbon electricity generation plants, expanding Brazil's renewable energy capacity and contributing to avoiding GHG emissions. The project will help "green" the operations of the off taker, a large company operating in a heavy, highly energy-intensive industry. The project is expected to avoid over 3,000 ktCO₂eq over a term of 15 years. Given the long-term life of the assets, it is likely that the annual energy generation will converge to 700,000 megawatt-hours (MWh).

Although the project is still in early stages, by the end of 2022 the following results have been achieved:

130,553 MWh
of renewable energy
generated

38,644
tons of CO₂ per year
in GHG emissions
reduction

297MW
of newly added capacity
of non-conventional
renewable energy

El Rosado Ecuador

Category: Green
Sub-category: Renewable energy
Approved Amount: US\$25MM
Total Mobilization: US\$50MM
Approval Year: 2021
Disbursement Year: 2022
Country: Ecuador

7 AFFORDABLE AND
CLEAN ENERGY



8 DECENT WORK AND
ECONOMIC GROWTH



12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION



13 CLIMATE
ACTION





Project Description:

El Rosado is a company with more than 66 years of experience and is one of the most important business groups in Ecuador, with nationwide participation through different business lines in the retail segment, including the second largest supermarket chain in Ecuador. Since its foundation, the company has participated in the development of the private and national sector and is currently one of the largest employers in the country, with more than 8,500 employees.

IDB Invest is supporting El Rosado's investment plan consisting of sustainable initiatives related to clean energy production, energy efficiency and emissions reduction, as well as other investments in logistics improvement, maintenance and geographic expansion. With this project, IDB Invest is supporting El Rosado in improving its sustainability, productivity, and growth. El Rosado will expand its installed solar capacity for self-supply of renewable energy by 17MW. The new installed capacity is expected to generate 194,473 megawatt-hours (MWh) of solar energy over the life of the project, resulting in more than 113,900 tons of carbon dioxide equivalent (tCO₂eq) in avoided emissions (over a 10-year period). Additionally, the Company plans to invest in improvements to enhance the energy efficiency of its operations, which will lead to energy savings (estimated at more than 4,000MWh per year) and reduced environmental footprint.

Although the project is still in early stages, by the end of 2022 the following results have been achieved:

7,323 MWh
of renewable energy
generated

2,895
tons of CO₂/per year in
greenhouse gas emissions
reduction

Expanding Solar Energy Power in Brazil Through New Juazeiro Bifacial Solar Power Project



Category: Green
Sub-category: Renewable energy
Approved Amount: US\$47.3MM
Total Mobilization: US\$15MM
Approval Year: 2020
Disbursement Year: 2020
Country: Brazil

5 GENDER
EQUALITY



7 AFFORDABLE AND
CLEAN ENERGY



8 DECENT WORK AND
ECONOMIC GROWTH



9 INDUSTRY, INNOVATION
AND INFRASTRUCTURE



10 REDUCED
INEQUALITIES



13 CLIMATE
ACTION



17 PARTNERSHIPS
FOR THE GOALS





Project Description:

The New Juazeiro Bifacial Solar Power Project consists of the design, construction, and operation of four photovoltaic plants in Bahia in northeastern Brazil. The project is the first energy generation plant in Brazil with a long-term U.S. dollar-linked PPA to be financed under a project finance modality, and the second solar project in Brazil to incorporate bifacial panels. This operation supports a relatively small independent generator, while expanding Brazil's clean energy matrix and contributing to avoiding GHG emissions.

In 2021, New Juazeiro successfully added 157 MWac of renewable power capacity, and currently supplies a highly energy dependent industrial off-taker contributing to "green" their operations. The project is expected to reach an annual generation of 400,000 MWh/year and to avoid over 1,690,000 tCO₂eq over 15 years.

Although the project is still in early stages, by the end of 2022 the following results have been achieved:

409,000 MWh
of renewable energy
generated

Avoided
121,273
tons of CO₂

The project contributed
to ensure that at least
10%
of the workforce were
women

Authors

This report was prepared by the IDB Invest Funding team. The authors are Eusebio Garre and Monica Landaeta with contributions from Vanesa Ruperez and Rodolfo Stucchi from the Development Effectiveness Division, Hilen Meirovich from the Climate Change Team in the Advisory Services Division, and Angela Miller and Marta Viegas from Environmental, Social and Governance Division.

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