



Project Disclosure for Advisory Services Projects

Updated June 2023

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Operation Number	RG-T4222
Operation Name	Promoting Sustainable Development for the Private Sector in the Amazon
Donor/Fund:	Spanish General Cooperation Fund
Sector	Climate Change
Countries	Amazon Countries (Bolivia, Brazil, Colombia, Ecuador, Guyana, Peru, Suriname and Venezuela)
Approved amount (USD)	\$ 2,000,000
Segment	Multi-Segment
Objective	To promote sustainable development of the Amazon region through supporting the health and agribusiness solutions that can enhance and facilitate the mobilization of private capital and unlocking investment opportunities in bankable projects in the region, related to the agricultural and health care sectors.
Expected Development Impact	<p>Since 2019, IDB Invest has supported the palm value chain in the Ecuadorian Amazon through the development and implementation of the SATagro platform (www.satagro.org), as well as an impact evaluation of its use to encourage adoption of sustainable practices among small palm growers. SATagro is a digital agricultural extension system that combines geospatial analysis tools, android-based apps, and two-way mobile communication channels. SATagro can fulfill several functions: (i) help farmers and field extension workers to record critical information from the field (area and location of the plot, farmers' agricultural practices, use of agrochemicals, the incidence of pests and diseases, etc.); (ii) regularly monitor plot health and deforestation rates using digital cartography on land use, Normalized Difference Vegetation Index (NDVI), and areas of High Conservation Values; (iii) automatically generate and send to farmers' mobile phones plot-based health assessments and recommendations to incentivize adopting sustainable agricultural practices; and (iv) track and coordinate the activities of anchor companies, governments, input suppliers, and multilateral organizations working in the same region. Since 2021, the platform provides support to more than 800 small palm farmers and field agronomists participating in UNDP's PROAmazonia program in the Sucumbios and Orellana provinces in the Ecuadorian Amazon. Several actors of the private and public sectors have expressed their interest in using the platform for their palm, coffee, cocoa, and export-oriented horticultural value chains across the country. Today SATagro is an example of a tool that can generate virtuous synergies between the public and private sectors and exemplifies the potential of working in a coordinated manner between the different windows of the IDB Group. On the other hand, these practices can be hindered by lack of effective healthcare system in remote areas. Supporting public-private investments linked to healthcare services in the Amazon may prove key in improving access to quality social infrastructure, foster job creation, and creating of bioeconomy-oriented value chains that leverage the region's unique combination of human talent, biodiversity containing compounds that have properties that range from antibiotic, to antiseptic, to anti-inflammatory, potential to export unique products, and growth opportunities. As such, social infrastructure clients and partners can promote innovative approaches to healthcare provision in the Amazon (considering the challenging geography and social makeup) while valuing the richness of the amazon's biodiversity for health solutions. Climate change is having an increasing impact on public</p>

	<p>health in tropical and subtropical areas and across the world and can affect disease distribution and transmission in potentially diverse ways. The enormous global burden of vector-borne diseases as cutaneous Leishmaniasis (CL), disproportionately affects poor people in developing countries. These impacts are often linked to human modification of ecosystems as well as climate change. CL is the seventh most relevant tropical illness according to the Health World organization; 89 countries have declared CL as a public health threat. The incidence of CL is 15 million people per year and 46,4 cases over 100,000 inhabitants in the North of Brazil. Although treatment is available, healthcare professionals' have difficulties in the diagnosis, whether due to lack of experience or knowledge about cutaneous leishmaniasis. This technical assistance supporting the testing of models that can be deployed in remote areas can allow for business model replication and promotion.</p>
Social and Environmental Risks identified and mitigation measures	<p>The primary risk associated to the success of the Technical Cooperation is that the investments in Advisory Services across all four components do not result in final investment decision and project implementation by beneficiaries of the assistance. Reasons behind non-investment decisions may include, but not be limited to: (i) technical unfeasibility of proposed projects, (ii) economic unfeasibility of proposed projects, (iii) other criteria considered by the beneficiary's upper management that deemed the investment as non-attractive due to risk, reputational, or strategic misalignment reasons. To mitigate these risks, the team supervising the Technical Cooperation will focus on proposing projects and technological solutions that have a reasonably high degree of technical maturity, are well suited to existing infrastructure, technical constraints, and national reality, and may result in sufficiently high rates of return to meet the beneficiary's investment criteria. 6.2. Alternatively, there is a risk that despite supporting projects that have favorable technical and economic outlooks, the beneficiaries are unable to implement said projects due to financial constraints. The IDB will mitigate this risk by encouraging investment by facilitating access to funding through the IDB's direct loans, the IDB's credit lines with local banks, and other international funds.</p>
Approval year	2023
Status	Approved

Operation Number	RG-T4234
Operation Name	Sustainability Performance Initiative
Donor/Fund:	Korea Private Sector Development and Innovation Fund (KPS)
Sector	Impact Management
Countries	Regional
Approved amount (USD)	\$700,000
Segment	Sustainability Risk Management and Sustainable Business
Objective	<p>The main objective of the Program is to accelerate the adoption and implementation of sustainability strategies and good ESG practice standards among existing and prospective private sector clients. This includes addressing upstream market failures and companies' capacity gaps and barriers to adopting sustainable business models and high ESG standards. The program aims to promote knowledge transfer and to offer technical assistance to manage environmental, social and governance risks and opportunities dynamically. Finally, the program aims to implement the corporate governance structures and practices necessary for optimal decision-making that can strengthen the long-term sustainability performance of their</p>

	business.
Expected Development Impact	<p>The activities contemplated in the corporate governance component may include (i) gap analysis on governance practices as compared to international good practices, (ii) advice on the composition, structure, effectiveness, and functioning of the board of directors, (iii) implementation of board policies and procedures, (iv) assistance on mechanisms for board performance evaluation, board conflict-resolution mechanisms, board efficiency portals, (v) structuring of compliance programs, Anti-Money Laundering and Combatting the Financing of Terrorism AML/CFT policies; (vi) implementation of Code of Conduct/Ethics; (vii) assistance on implementation of internal audit, (viii) structuring policies and systems for disclosure of information that is material to shareholders and stakeholders, and (ix) advice on related party transactions and conflicts of interests. Specifically, for state-owned enterprises, advice can include the implementation of policies and practices that limit the actual or perceived political influence on the company's direction and management and enhance the transparency of its objectives and mandate. Activities may also include a specific focus on climate governance, including advice to boards of directors and senior leadership on climate transition strategies and governance structures necessary to ensure climate strategy implementation and adequate disclosure under international standards. The expected outcome of this component is the strengthening of governance in assisted companies, leading to ethical leadership, improved business performance, transparency, stakeholder engagement, and ESG risk management. Expected outputs and monitoring indicators include the number of companies that effectively adopted the recommended practices and the number of company-tailored training and supporting materials created. For example, IDB Invest supported one of Suriname's largest financial institutions, to assess its governance and compliance framework, as well as its AML/CFT practices, helping to implement a plan to level them to international standards. Another example is a Panamanian-based health tech that needed to develop governance to become more attractive to investors and improve operational efficiency and risk management. With the support of IDB Invest, the client is implementing improvements to Board structure and function; succession planning, strengthening of internal controls, risk management, compliance, transparency, and disclosure to shareholders.</p>
Social and Environmental Risks identified and mitigation measures	This operation complies with the Bank's exclusion list and is aligned with the Bank's Environmental and Social Sustainability Policy.
Approval year	2023
Status	Approved

Donor Country	Fund Name*	Historic contributions (USD)
Italy	Italian-IDB Invest Trust Fund	\$2,654,489
Austria	Austrian Trust Fund	\$400,000
NDF	Nordic Development Fund	\$6,388,900
Belgium	Belgium Wallonia Trust Fund	\$1,529,620

*Table includes active donor funds only