



# IDB

Office of the  
Executive Auditor

## 2024

# INDEPENDENT VERIFICATION REPORT

## Limited Assurance

*Alignment of IDB Invest with  
the Operating Principles for  
Impact Management*

**CONFIDENTIAL – INTERNAL USE**

*This document contains confidential information relating to one or more of the seven exceptions of the IDB Invest Access to Information Policy and, therefore, shall not be disclosed to external IDB Invest audiences. It is available only to IDB Invest employees in accordance with the IDB Invest Records Management Directive.*

To the General Manager of IDB Invest,

In response to your request, the Office of the Executive Auditor (AUG) verified whether the IDB Invest impact management system, as described in its policies and procedures (the "Policies") and summarized in its Annual Disclosure Statement, is aligned in all material aspects, with the Operating Principles for Impact Management dated February 2019 and updated on June 2021 (the "Impact Principles") for USD 21 billion of its assets under management as of December 31, 2023.

### ➔ LIMITED ASSURANCE CONCLUSION

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe, in all material aspects, that IDB Invest Policies are not aligned with the Impact Principles for US\$21 billion of its assets under management as of December 31, 2023.

### ➔ IDB INVEST RESPONSIBILITY

It is IDB Invest's responsibility to define the necessary processes, roles, and responsibilities to align its organization with the Impact Principles. It is also the responsibility of IDB Invest to prepare and publicly disclose, on an annual basis, a report describing the alignment of its Policies with the Impact Principles and, at regular intervals, arrange for independent verification of this alignment. These disclosures are available on its website ([www.idbinvest.org](http://www.idbinvest.org)) and on the Impact Principles website ([www.impactprinciples.org](http://www.impactprinciples.org)).

### ➔ INTERNAL AUDIT RESPONSIBILITY

Our responsibility is to, (i) plan and perform this engagement to obtain limited assurance about whether the Policies are aligned with the Impact Principles; (ii) form an independent conclusion based on the procedures we have performed and the evidence we have obtained; and (iii) report our conclusion to the IDB Invest General Manager.

However, it is not our responsibility to assess the effectiveness of IDB Invest's impact measurement approach, nor verify that the resulting impacts were achieved.

As we are engaged to form an independent conclusion, we are not permitted to be involved in the preparation of the Policies, or of the Impact Principles' Annual Disclosure Statement, as doing so may compromise our independence.

### ➔ PROFESSIONAL STANDARDS APPLIED

We have performed a limited assurance engagement in accordance with the International Standards for the Professional Practice of Internal Audit issued by the Institute of Internal Auditors (IIA) and our Quality Assurance and Improvement Program.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

## ➔ INTERNAL AUDIT INDEPENDENCE AND QUALITY CONTROL

We have complied with the independence and ethical requirements in accordance with the International Standards for the Professional Practice of Internal Auditing, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

We apply International Standards on Quality Control and, accordingly, maintain a comprehensive system of quality control including documented policies and procedures regarding compliance and ethical requirements, professional standards, and applicable legal and regulatory requirements.

## ➔ SUMMARY OF THE WORK WE PERFORMED

We performed the following procedures:

- Verified that the Policies address each of the Impact Principles.
- Assessed the relevance, completeness, reliability, neutrality, and understandability of the Policies relating to the Impact Principles.
- Conducted interviews with the people in charge of defining, applying, and enforcing the Policies.
- Performed walk-throughs to verify the correct application of the Policies.
- Verified the amount of assets under management (as of December 31, 2023) aligned with the Principles.
- Examined the integrity of the information provided in the Annual Disclosure Statement in relation to the Policies.

The scope of the above-mentioned procedures did not include an assessment of the effectiveness of the IDB Invest impact measurement approach, nor the verification of the resulting impacts achieved.

Washington, D.C., April 30, 2024

*The Independent Verifier: Office of the Executive Auditor, Inter-American Development Bank Group*



For  
**ALAN KATO**  
Executive Auditor



**MARIA RIOS**  
Audit Principal