

**PUBLIC CONSULTATION  
DRAFT IDB INVEST  
ENVIRONMENTAL & SOCIAL  
SUSTAINABILITY POLICY**

September 2019



# Outline

- I. Who are we?
- II. IDB Invest Efforts to Strengthen its Sustainability Framework
- III. Main Changes to IDB Invest Environmental & Social Sustainability Policy
- IV. Description of Public Consultation Process & Timeframe
- V. Open Discussion to Receive Feedback on the Draft Policy

# About us

We are IDB Invest, the private sector institution of the IDB Group, a multilateral development bank committed to strengthening businesses in Latin America and the Caribbean. We combine the agility of the private sector with the strength and stability of the IDB Group, we're driving business to revolutionize markets.



# At a glance

47

SHAREHOLDERS

54  
PERCENT  
OF SHARES

HELD BY LATIN AMERICA  
AND THE CARIBBEAN  
MEMBER  
COUNTRIES

60  
YEARS

OF EXPERIENCE  
IN THE REGION AS  
IDB GROUP

400

EMPLOYEES

29  
OFFICES

IN LATIN AMERICA,  
THE CARIBBEAN,  
USA, ASIA, AND EUROPE

Aa1 MOODY'S

AA STANDARD & POOR'S

AAA FITCH RATINGS

# What we offer

We support our clients by providing finance solutions, advisory services and knowledge that meet the evolving demands of the regions private sector.



## Financial Products and Services

- Loans
- Guarantees
- Equity investment
- Resource mobilization
- Blended finance



## Advisory Services

- Climate change
- Gender, diversity and inclusion
- Sustainability and MSMEs
- Public-private partnerships






## Knowledge

- Publications
- Conferences and workshops
- Market trends
- Feasibility studies
- Regional and sectorial expertise





# Priority Sectors

We work in a variety of sectors and the mission stays the same: create solutions, guide great ideas, and turn potential into reality.

## Financial Intermediaries

-  Banks and other financial intermediaries
-  Financial Inclusion
-  Funds


## Infrastructure

-  Energy
-  Transport
-  Water and sanitation
-  Social infrastructure

## Corporates

-  Agribusiness
-  Manufacturing
-  Tourism
-  Telecommunications, media and technology


## Efforts to Strengthen IDB Invest's E&S Sustainability Framework



Updated IDB Invest Access to Information Policy for greater disclosure and transparency (effective as of January 2020); Includes greater disclosure of subprojects for private equity funds, updates on status of implementation of environmental and social action plans for high risk projects, disclosure of carbon footprint, etc.).




Offered capacity building for clients and IDB Invest employees (online training for FIs, Sustainability Week, etc.).



Mobilizing more non-reimbursable technical assistance to promote and improve E&S and CG knowledge and performance of private sector companies in LAC.



Improved supervision (hiring more field staff to facilitate site visits).



Creation of team to work on communication with CSOs and communities, crisis prevention and management



Currently revising the IDB Invest Sustainability Policy.

## Efforts to Strengthen IDB Invest's overall E&S Sustainability Framework

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IDB Invest will also prepare an **Implementation/Guidance Manual** that includes information not only on processes, but also IDB Invest's practical approach to interpreting its Policy and aspects of the Performance Standards.

# IDB Invest's Sustainability Framework



## Principal Purpose of Public Consultation Meetings



Provide stakeholders with an overview of the IDB Invest's new draft Sustainability Policy

Participatory and transparent process for stakeholders to provide feedback on the proposed draft Policy

# Main Changes to Sustainability Policy

Updates to reflect IDB Invest's renewed vision and current practices include:



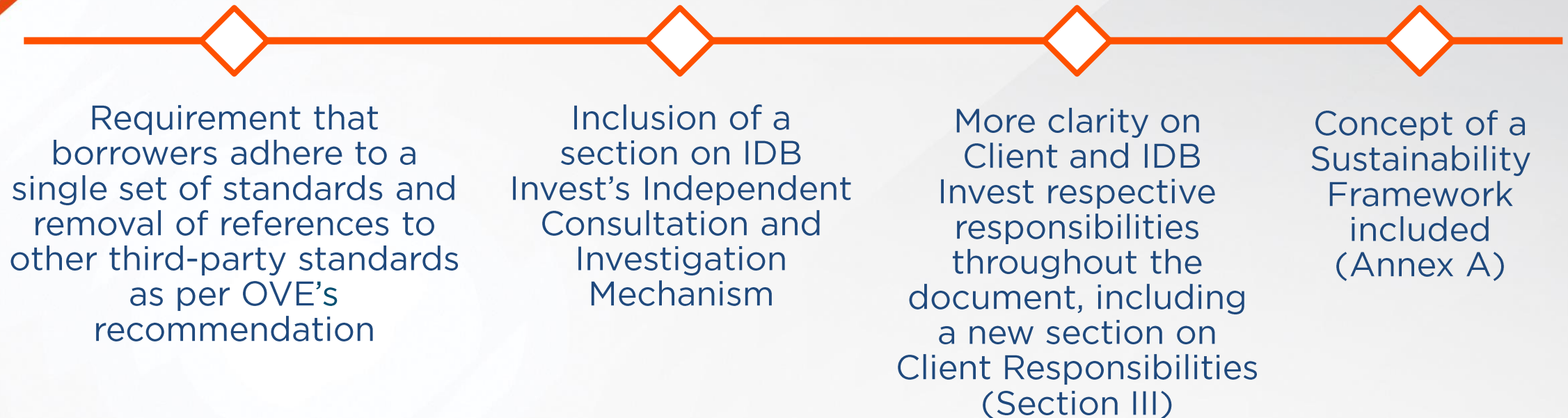
Revised background section on IDB Invest.

New priority areas for technical assistance including supporting clients with climate adaptation and mitigation, gender equality and diversity. More explicit language regarding the avoidance of gender-based violence.

Tools to assess potential development impacts.

Updates to the corporate governance section.

## Main Changes to Sustainability Policy



## Main Changes to Sustainability Policy



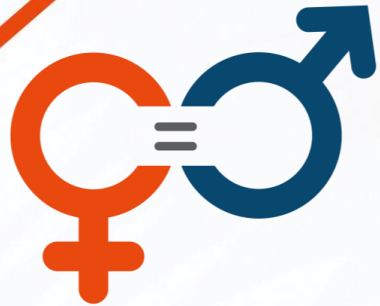
Commitment to review the Sustainability Policy in the future in order to incorporate any best practices, international trends on sustainability issues or lessons learned and clarity on effectiveness of the new policy to projects approved after effective date (Section I. 5)

Fine tuning of reference to Environmental and Social Impact Assessments and Environmental, Social, Health and Safety audits (EHS) (Section IV. 14)

More detail regarding how IDB Invest supervises its investment projects (Section IV. 20)

Increased clarity on how the development impact of extractive projects are taken into account through the use of the DELTA (Section VI. 2)

## Closer look at strengthening our approach to Gender



In 2019, IDB Invest carried out a new capacity-building initiative on gender in collaboration with international experts for clients which included training on:



The preventative approach – how to identify and mitigate gender related risks in your business

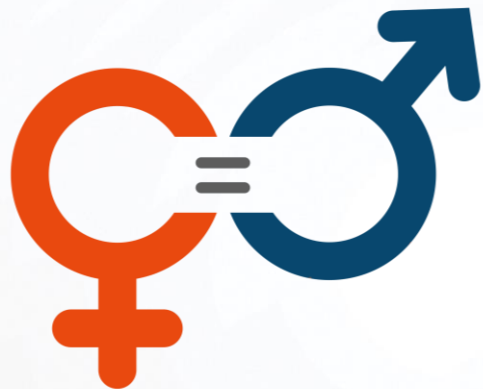
How to prevent gender-based violence in the community (working with contractors and local communities on prevention)

How to assess occupational, health and safety/labor aspects taking into consideration differences in gender, how to establish grievance mechanisms that are adequate for sexual harassment cases

How to promote inclusive engagement and incorporate gender concerns in baseline community assessment and facilitate gender equitable participation

How to assess opportunities (employees, value chains markets) and the business case for women in non-traditional roles

## Closer look at strengthening our approach to Gender



In 2019, IDB Invest developed a new Gender risk assessment questionnaire to be used as part of IDB Invest's E&S due diligence process in order to strengthen the identification of gender risks and mitigate any potential risks identified.

The requirements in the draft Sustainability Policy related to gender are more explicit and go beyond those included in the PS.

New language was introduced into the policy requiring IDB Invest clients to practice:

Gender equality, including the avoidance of gender-based exclusion, gender-based violence, including sexual exploitation or human trafficking, and sexually-transmitted diseases in the projects financed by IDB Invest (e.g. in the workplace, in public consultation). (Section II. 7. iv)

## Closer look at strengthening our approach to Stakeholder Engagement



In 2019, IDB Invest carried out capacity-building for over 450 clients that included a technical session on how to carry out meaningful stakeholder engagement.



IDB in collaboration with IDB Invest has developed a comprehensive guidance publication on Meaningful Stakeholder Consultation, which has been shared with clients. Additional technical guidance material is being developed on the topic of stakeholder engagement for practitioners and clients, which seeks to complement information at the IFC and other MDBs.

## Estimated Timeline

<ul style="list-style-type: none"> <li>Initial presentation to the Board on the plan and draft policy update on March 19, 2019.</li> </ul>	Completed
<p>Management presents revised draft of IDB Invest’s Environmental and Social Sustainability Policy and seeks authorization from the Board to consult such draft policy with the public.</p>	Completed
<ul style="list-style-type: none"> <li>Conduct 120-day public consultation of the draft Policy (began June 17, 2019):           <ul style="list-style-type: none"> <li>30-day Pre-consultation – launch of consultation platform with draft policy posted</li> <li>90-day consultation</li> </ul> </li> </ul>	Q2 2019
<p>Public Consultation Meetings with stakeholders in Panama, Colombia, Argentina, Jamaica and the US. Virtual Consultations to be held in English, Spanish and Portuguese. Written comments can also be submitted by email to <a href="mailto:SustainabilityPolicy@idbinvest.org">SustainabilityPolicy@idbinvest.org</a> or post at the following address: IDB Invest Access to Information Policy, 1350 New York Ave, NW Washington DC 20577).</p>	Q3 2019
<p>Review and consolidate comments from the public consultation process. Publish a summary of how IDB Invest will address the key issues raised. A new version of the draft Sustainability Policy will be prepared after review and consideration of the comments received. IDB Invest will submit a final draft version of the Policy post-consultation for the Board’s consideration.</p>	Q4 2019

# Open Discussion to Receive Feedback on the Draft Sustainability Policy

Topics of discussion to on the draft Sustainability Policy



What is your experience with the current IDB Invest Environmental and Social Sustainability Policy?

What do you think about the main proposed changes to the Policy, such as those highlighted in this presentation?

What specific comments do you have on any of the Performance Standards?

Any other observations or comments?

**Thank you!**

