

1. **Scope of the environmental and social review.** The environmental and social analysis of the proposed operation consisted of a documentation review and a telephone conversation with the risks and social performance team of Fundación Génesis Empresarial. Fundación Génesis Empresarial is a new client for IDB Invest, but it has worked with other multilaterals such as the International Finance Corporation (IFC).
2. **Environmental and social classification and rationale:** The proposed financing line for microenterprises and microfinance institutions receives the FI-3 classification for low-risk financial institutions, in accordance with the IDB Invest Sustainability Policy. The potential risk of the subprojects to which support will be provided is low (financing low-risk category C[1] or B[2] projects). The IDB Invest exclusions list and local law will be applied in the evaluation of environmental and social risk. Today, the microfinance portfolio may have loans as large as US\$8,000 but the average loan size is US\$1,300 and for 2 years. For Fundación Génesis Empresarial, its portfolio is distributed as follows: commerce (65%), services (13%), agricultural production (11%), livestock production (6%), and small-scale industrial production (6%).
3. **Environmental and social risks and impacts:** The environmental and social risks of this transaction are associated with the ability of the staff of Génesis to evaluate and manage the risks associated with its loans. Since 2018, Génesis has a Social and Environmental Performance Policy focused primarily on increasing and measuring its social impact. The environmental area encompasses three strategic pillars: i) environmental preservation and conservation (reduction of the ecological footprint); ii) environmental risks (promotion of climate-friendly practices); and iii) training for environmental preservation and conservation. Fundación Génesis Empresarial is in the process of defining concrete objectives for each of these pillars. Fundación Génesis Empresarial has 1,600 employees; approximately 31% are women and 69% are men and average longevity with the institution is three years. Forty-two percent of the management positions are held by women (2017 information). Génesis has 101 branches distributed throughout the country (more than 75% in rural areas) and its main building in Guatemala City. The main building is open to clients and has a firefighting system.
4. **Mitigation measures:** Fundación Génesis Empresarial must comply with the provisions of the IDB Invest List of Exclusions as well as local and national laws applicable in environmental and social matters. So that Génesis staff will have better knowledge of the IDB Invest requirements, those responsible will take the IDB Invest on-line course[3] for financial intermediaries. The virtual and free “Environmental and Social Management Systems” course will allow Génesis staff to learn about integrating environmental and social practices within the Foundation’s risk management.
5. **Contact information:** For queries about the project, including environmental and social issues related to an IDB Invest transaction, please contact the client (see **Summary of the Investment**), or IDB Invest by e-mail at [requestinformation@idbinvest.org](mailto:requestinformation@idbinvest.org). As a last resort, affected communities have access to the IDB Invest Independent Consultation and Investigation Mechanism via e-mail to [mecanismo@iadb.org](mailto:mecanismo@iadb.org) or [MICI@iadb.org](mailto:MICI@iadb.org), or by calling +1(202) 623-3952.
6. **Client files:** Fundación Génesis Empresarial: <http://www.genesisempresarial.org/>.

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[1] Activities with minimum or non-existent environmental and social impacts and/or risks.

[2] Activities with environmental and social impacts and/or risks that are few in number or generally specific to a site, are predominantly reversible, and

[3] <https://cursos.iadb.org/es/indes/sistema-de-gesti-n-ambiental-y-social-una-oportunidad-de-negocio>