

1. **Scope of the Environmental and Social Review.** The environmental and social (E&S) review of the proposed transaction consisted of a documentation review and discussions with management at Te Creemos. The Institution is a new customer for IDB Invest.
2. **Environmental and Social Categorization and Rationale.** The proposed transaction is classified as IF-3 under IDB Invest's Environmental and Social Sustainability Policy. The sub-projects supported by the sub-loans granted by Te Creemos will have potentially low risk, i.e., they are expected to include commercial and service activities that mostly have no or minimal adverse environmental or social impacts. The sub-loans granted by Te Creemos using IDB Invest funds will be destined in full to micro-entrepreneurs and to micro and small businesses. Loans granted by Te Creemos have weighted average values of US\$2,900 and 12-month terms. The portfolio by product is composed of communal banking loans (58%), business loans (33%), entrepreneurial loans (1%), home improvement loans (7%) and payroll loans (0.5%). The loans with the highest average values of US\$14,000 and 20-month terms are business loans. The value of communal banking loans is distributed among the members of the approved group, who number between 8 and 30 people. IDB Invest funds may not be used by Te Creemos to finance category A high risk sub-projects as defined by IDB Invest, nor sub-projects in the sectors in the IDB Invest exclusion list.
3. **Environmental and Social Risks and Impacts.** The E&S risks associated with this transaction relate to Te Creemos's ability to evaluate and manage the risks associated with its investments. Te Creemos does not have an Environmental and Social Management System or an environmental policy, due to the low exposure risk and amounts in its portfolio. Business officers are responsible for evaluating compliance with national legal regulations. Te Creemos has 3,862 employees, 51% of whom are women. There are 118 management positions and 31 are held by women. The Institution has internal regulations, a Code of Ethics and a customer service channel that receives complaints and suggestions for improving services.
4. **Mitigation Measures.** Financing granted by Te Creemos should comply with the IDB Invest Exclusion List and with local and national environmental and social law. Employees responsible for supervising and implementing business and lending policies should take the IDB Invest virtual course for financial intermediaries,^[1] in order for Te Creemos to better understand IDB Invest requirements. The "Environmental and Social Management Systems" virtual course will help the Institution's employees to incorporate environmental and social practices into their risk management.
5. **Environmental and Social Action Plan (ESAP).** Not applicable.
6. **Contact Information.** For project inquiries, including environmental and social questions related to an IDB Invest transaction please contact the client (see **Investment Summary** tab), or IDB Invest using the email requestinformation@idbinvest.org. As a last resort, affected communities have access to the IDB Invest Independent Consultation and Investigation Mechanism by writing to mecanismo@iadb.org or MICI@iadb.org, or calling +1(202) 623-3952.

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