

1. **Overview of Scope of IDB Invest Environmental and Social Review.** The Environmental and Social (“E&S”) review of the proposed transaction was carried out through desk research, phone calls with the client, and a portfolio review. Cooperativa de Ahorro y Crédito Pacífico is a new IDB Invest client. On-lending risks are generally considered low. The client has agreed to the development and implementation of an Environmental and Social Management System (“ESMS”). It has initiated this work stemming from a previous Development Finance Institution loan, and will complete it with the assistance of a local consultant.
2. **E&S Categorization and Rationale.** The proposed operation is classified as an FI-2 per IDB Invest’s Sustainability Policy. Sub-loans average US\$157,000 and are primarily directed real state (19.0%), transport (18.6%), services (17.6%) and commerce (14.3%). A small percentage of their portfolio is focused on agriculture. Category A sub-projects, per IDB Invest’s definition, do not feature under this on-lending program.
3. **E&S Risks and Impacts** The environmental and social risks are likely to be minimal to moderate. Given the targeted sectors, agriculture present potential though limited risks given the small on-lending size. The principle risk and impacts will relate to labor-specific issues, use of pesticides, and possible land management concerns.
4. **Mitigation Measures.** Pacífico will be required to evaluate, manage and monitor E&S risks through the application of an ESMS, which will include application of the exclusion list and local law. The ESMS will include an overarching policy, categorization guide, due diligence check list, legal clauses, and monitoring procedures. Pacífico has initiated an analysis of its portfolio, and will agree to a work plan in undertaking the development and implementation of the ESMS. Pacífico has hired and will retain an E&S manager to oversee operation of the ESMS and individual sub-loan screening. Pacífico has already taken part in IDB Invest’s annual Sustainability Week.
5. **E&S Action Plan:**

<b>Task</b>	<b>Description</b>	<b>Deadline</b>
ESMS Plan	Pacífico to agree to an ESMS development and implementation plan with Board approval. Plan will include hiring of consultant for production of ESMS.	Condition precedent to first disbursement
Hiring of external consultant	Pacífico to hire an external consultant to assist in developing and implementing ESMS with focus given to risks present in the productive sector. Pacífico to provide IDB Invest Terms of Reference, scope and timeline of work agreed.	One month after first disbursement
Development of ESMS	Pacífico to develop ESMS consistent with IDB Invest Policy, and in line with IFC Performance Standard 1.	6 months post disbursement