

1. Scope of environmental and social review: Various documents sent by the client that are part of its Environmental and Social (“E&S”) procedures were used in the preparation of this document.

2. Environmental and social classification, and its rationale: The subprojects/operations to be supported have a low risk potential primarily because they are for microenterprises with incomes between US\$2,000 and US\$20,000. Consequently, in accordance with the IIC Environmental and Social Sustainability Policy, the FI was classified as FI-3.

3. Environmental and social risks and impacts: This project’s main environmental and social risks are related to Bancamía’s ability to identify and manage environmental and social risks related to its lending activities. Potential risks related to its principal lending activities for microfinance include contamination of the soil, air and water, waste management, occupational health and safety risks, etc. Bancamía has implemented a sustainability manual that complies with national legislation, ISO 2600/2010, the Global Compact, UNEP-FI, the Green Protocol, the Global Reporting Initiative, Mix Market and Smart Campaign. It also includes an environmental, social and economic policy and a list of excluded activities.

4. Mitigation measures: Bancamía will be required to ensure that all sub loans financed by the Loan, comply with the provisions of the IDB Invest List of Excluded Activities, applicable local laws on environmental and social matters, and IDB Invest’s environmental and social guidelines. It must also assign qualified and trained personnel to manage the environmental and social risks and impacts. So that the borrower will be better informed regarding IDB Invest requirements, it will be required to take the IDB Invest on-line training course on the Management of Environmental and Social Risks.

5. Contact information: For project inquiries, including environmental and social questions related to an IDB Invest transaction, please contact the client (see **Investment Summary** sheet), or IDB Invest via e-mail at requestinformation@idbinvest.org. As a last resort, affected communities have access to the IDB Invest Independent Consultation and Investigation Mechanism via e-mail at mecanismo@iadb.org or MICI@iadb.org, or by telephone at +1(202) 623-3952.