

Environmental and Social Review Summary (“ESRS”) Caja 18 - Social Bond with Silver Economy Focus – Chile

Original language of the document: English
Issuance date: June 2021

- 1. Scope of Environmental and Social Review** The environmental and social review of the proposed transaction was carried out through desk research, phone calls with the client, and a portfolio review. Caja 18 is a new IDB Invest client, with a focus in loans for financial inclusion. As such on-lending risks are generally considered low. The client has agreed to implement a basic set of environmental and social procedures that includes a review of sub-loans against applicable local law and the IDB Invest’s Exclusion List.
- 2. Environmental and Social Categorization and Rationale** The proposed operation is classified as an FI-3 according to the IDB Invest Sustainability Policy. Caja 18 will use the funds to grant social credits for its affiliates with low or no access to the traditional financial system. This “social credit” allows the less banked segments to finance such activities as housing payments, health and education expenses, recreation and tourism, microenterprise, durable goods, family assistance, among others. The average loan is around US\$ 1,500.
- 3. Environmental and Social Risks and Impacts** The environmental and social risks are considered minimal given the proposed use of proceeds to support retail clients and their associated household expenses.
- 4. Mitigation Measures** Caja 18 will be required to apply a basic set of environmental and social procedures, which will include application of the exclusion list and local law as applicable. Furthermore, the Caja will be required to undertake the IDB Invest’s on-line training for E&S management, and appoint an E&S individual to oversee application of the procedures and address an issues specific to individual sub-loans screening where warranted.
- 5. Environmental and Social Action Plan** N/A.
- 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 MIICI@iadb.org, or calling +1(202) 623-3952.