

1. Project Description. The Program is seeking to support LAC private sector issuers in accessing debt capital markets with two products: PCGs and subscription of debt securities.

2. Environmental and Social Categorization and Rationale. Each individual utilization under the Program must be classified under IIC sustainability policies as FI-2 and FI-3 for financial intermediaries (FIs) and Category B and C for corporates. At this stage, specific eligible Issuers have not yet been identified, and to that end the specific environmental and social risks and impacts associated with each participating Issuer cannot be analyzed at this time. It is assumed that focus will be given to low risk issuers (FI-3, and Category C), but the will ultimately be determined based on market/issuer response to the product.

3. Environmental and Social Risks and Impacts. The potential key Environmental, Social, Health and Safety (ESHS) and labor risks and impacts associated with the Program are related to the sector / activities engaged in by each participating Issuer. To that end, the IIC will evaluate the environmental and social management of the issuer, and review the risks and impacts of their activities. The issuer will be required to manage environmental and social impacts in accordance with IDBG Policy. The Program will exclude Category A and FI-1 underlying projects / issuers. After the first year of operations, the IIC will assess its work in enhancing Issuers' environmental and social performance and report back to the team.

4. Mitigation Measures / E&S Action Plan. Specific environmental and social safeguard requirements for individual Issuers cannot be made at this time. The project team will assess environmental and social risks on a case by case basis and will confirm during due diligence and prior to Credit Committee the final classification. In case the project is categorized as FI-2 or B the project team will include environmental and social actions commensurate with risk and in line with the IIC Sustainability Policy. Issuers will be expected to have an acceptable environmental management system and implement sustainability management practices in line with IIC's Sustainability Policy. Issuers will report annually on sustainability performance.

For inquiries and comments to IIC, contact:

IIC's Communications Group

E-mail: requestinformation@idbinvest.org

For project inquiries, including environmental and social questions related to an IDB Invest investment, please contact the client or IDB Invest using the contact information provided above. As a last resort, affected communities have access to the IDB Invest Independent Consultation and Investigation Mechanism.

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