

1. **Scope of the Environmental and Social Review.** The environmental and social analysis (ESA) of the proposed operation consisted of a documentation review and a telephone call with management. Finabank is an existing IDB Invest client in the Trade Finance Facilitation Program (TFFP) since December 2017.
2. **Environmental and Social Categorization and Rationale.** The proposed line of equity financing is classified as FI-2 under IDB Invest's Sustainability Policy. The potential environmental and social risks of the subprojects requiring support are low to moderate. Finabank's current portfolio is exclusively in Suriname and is made up of the following major sectors: commercial 44%, construction 13%, services 12%, real estate 6%, industry 4%, among others. The average sub loan amount is US\$500,000, with a maximum of US\$10M within a term of five to 20 years. Subprojects in Category A (high-risk) and those that undertake activities listed under IDB Invest's exclusion list shall not be able to procure financing by IDB Invest.
3. **Environmental and Social Risks and Impacts.** The environmental and social risks of this transaction are related to Finabank's personnel capacity and procedures for assessing and managing the risks associated with its loans. Finabank has a credit risk assessment system that is applied to all of its transactions and covers the risk of fire, difficulties in recruiting qualified personnel and personnel turnover. However, it does not consider environmental and social risks beyond those previously mentioned. Finabank does not have an environmental policy or an Environmental and Social Management System. Finabank has 214 employees (22 indirect), and of those employees, 69% are women and 31% are men. Employees are distributed between four offices, three in Paramaribo and one in the country's interior, and all have fire prevention systems. Finabank has a human resources policy that includes a code of ethics as well as a complaints procedure.
4. **Mitigation Measures.** Finabank should develop and implement an Environmental and Social Management System (ESMS) that can help to assess the ESA risk of their transactions by following the International Finance Corporation's (IFC) Performance Standard 1 guidelines with the support of an independent consultant. As part of the implementation of the ESMS, it must comply with IDB Invest's Exclusion List, applicable ESA local and national laws, and in moderate-high risk operations, the IFC Performance Standards. In order for Finabank personnel to better understand IDB Invest requirements, those responsible for the implementation of the ESMS should attend IDB Invest's Environmental and Social Risk Management training for financial intermediaries.
5. **Environmental and Social Action Plan (ESAP)**

No.	TASK	ACTION	DELIVERABLE	COMPLETION DATE
1	Implement IDB Invest's exclusion list	Ensure the inclusion of all activities on IDB Invest's exclusion list to the Finabank's exclusion list.	Updated exclusion list.	Prior to financial closure (sign credit agreement).

No. TASK	ACTION	DELIVERABLE	COMPLETION DATE	
2	Strengthen existing policies	Together with an independent consultant, develop an Environmental and Social Management System (ESMS) that follows IFC's Performance Standard 1 guidelines. These should include: i) Environmental and social policy, ii) Internal organizational capacity, iii) Environmental and due diligence processes/procedures in identifying risks and impacts, iv) Portfolio monitoring and supervision, v) External communication procedure.	Environmental and Social Management System (ESMS). Proof of personnel training.	9 months after financial closure.
3	Capacity building and training	Together with an independent consultant, train personnel responsible for implementing the ESMS on ESA requirements of national laws and the implementation of IFC's performance standards (PS). Ensure that all new personnel receive the same training.	ESA training certificate for the personnel responsible for implementing the ESMS, as well as proof of ESA training for new personnel.	12 months after financial closure. And every time new personnel responsible for implementing the ESMS is incorporated.
4	Strengthen internal grievance procedure	Strengthen the current procedure by including the following aspects: i) record grievances, ii) assess the issues discussed and determine how to address them, iii) provide, document and monitor responses, iv) supplement the ESMS as required. The grievance procedure must be disclosed to all employees, including indirect employees, in a clear and comprehensive manner.	Internal Grievance Mechanism. Evidence of internal socialization.	3 months after financial closure.

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.