

1. **Overview of Scope of IDB Invest E&S Review** The environmental and social review of the proposed transaction was carried out through desk research and phone calls with the client. Bancóldex is an existing IDB Invest client.
2. **Environmental and Social Categorization and Rationale** The proposed operation is classified as an FI-3 according to the IDB Invest Sustainability Policy. Bancóldex has requested an emergency credit line to support micro and SME client's sub-borrowers primarily through short term working capital funding to address immediate financing needs as a result of the COVID-19 pandemic. Roughly 55% of the funding will go to micro and small enterprises, and the remaining to medium sized enterprises. The dominant sectors within this segment include commerce (37%) and small manufacturing (36%). Average loan sizes are US\$17K, US\$56K, and US\$164K for micro, small and medium sized enterprises respectively. The average tenor is 2.5 years. As a second-tier bank, Bancóldex will channel funds through approved Colombian financial intermediaries in reaching the target MSME clients.
3. **Environmental and Social Risks and Impacts** The main E&S risks of this project are associated with Bancóldex's capacity to identify and manage the E&S risks associated with its lending activities. Bancóldex has a well-developed Environmental and Social Management System that it applies at the level of direct operations and through Financial intermediary clients. The environmental, social, health and safety ("ESHS") impacts and risks associated with sub-loans through this emergency credit line are expected to be minimal in nature.
4. **Mitigation Measures** Bancóldex will be required to apply local law, the IDB Invest list of excludes activities, and their existing ESMS in operations for which a more detailed E&S review is required. Additionally, Bancóldex will undertake IDB Invest's online training course.
5. **E&S 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 divulgacionpublica@iadb.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.