

1. **Scope of Environmental and Social (“E&S”) Review.** The E&S review of the proposed transaction was carried out through desk research, client phone calls, and a portfolio review. Republic is an existing client of the former IIC, though does not have an operating Environmental and Social Management System (“ESMS”) for the operation in question.
2. **E&S Categorization and Rationale.** The proposed operation is classified as an FI-2 per IDB Invest’s Sustainability Policy. Underlying loans to be supported under the credit line will focus on its digital transformation program, its SME and housing portfolios. The sub-loans average US\$160,000 in size. Category A sub-projects, per IDB Invest’s definition, will be excluded.
3. **E&S Risks and Impacts.** The main E&S risks of this project are associated with the Financial Institution (“FI”) capacity to identify and manage the E&S risks associated with its lending activities. The Environmental Social Health and Safety (“ESHS”) impacts and risks associated with loans to SMEs are likely to be moderate in nature. Republic’s portfolio is concentrated in commerce and services, as well as exposure to construction, tourism, and manufacturing.
4. **Mitigation Measures.** Republic does not currently have an ESMS and will develop one through technical assistance. As a regional bank with group headquarters located in Trinidad, Republic is positioned to define a clear environmental policy commensurate with corresponding risk. This policy and corresponding procedures can be applied across branch offices. Republic will be required to ensure that all loans supported under the loan comply with IDB Invest’s Exclusion List, applicable E&S local laws, and the ESMS, which will be developed by an external consultant.
5. **Environmental and Social Action Plan**

Activity	Description	Timeline
ESMS development and implementation	Republic will be required to work with a designated consultant to develop a corporate-wide ESMS consistent with IDB Invest Requirements and IFC Performance Standard 1. As part of this requirement, Republic will form an ESMS committee (including credit risk, portfolio, and product development, among others) and assign a dedicated staff member to oversee development and operation of the ESMS.	3 months post disbursement (form committee) 9 months post disbursement (develop ESMS)
Hiring of a Consultant	Republic will work with an expert consultant for the development and implementation of the ESMS. All documentation developed by the consultant will be agreed and submitted to IDB Invest. Republic will cover a portion of the costs associated with the hiring of the consultant.	Hiring of consultant no later than one month post disbursement
Appointment of ESMS manager	Republic will appoint an ESMS Manager responsible for guiding work between the committee and the consultant and will be responsible for reviewing/overseeing all E&S analysis.	At disbursement
Training	Republic will ensure its ESMS manager undertakes an E&S risk management training course offered by IDB Invest or United Nations Environment Programme Finance Initiative (“UNEP FI”).	Six months after disbursement

6. Contact Information For project inquiries, including E&S 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.