

## Environmental and Social Review Summary (“ESRS”) JMMB Group Senior Loan Funding / 14267-01 – Jamaica

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- 1. Scope of Environmental and Social Review.** The Environmental and Social (“E&S”) assessment of the proposed transaction was carried out through the review of JMMB Group’s documentation (policies, plans, and procedures) and lending portfolio, as well as interviewing managers and operational staff.
- 2. Environmental and Social Categorization and Rationale.** The proposed operation is classified as an FI-2 per IIC’s Environmental and Social Sustainability Policy. The potential E&S risks of the subprojects requiring support are moderate. The sub-loans will focus mainly on Small and Medium-Sized Enterprises (“SMEs”) with some corporate enterprises participating in green lending in Jamaica.

Small Enterprises are defined by JMMB Group as revenues oscillating between US\$97,143-485,717 and with 6 to 20 employees. Medium enterprises are those with revenues between US\$485,717-2,752,401 and 21 to 50 employees. JMMB Group defines Corporate Enterprises as those companies with revenues higher than US\$2,752,401 and more than 50 employees. JMMB Group sub-loans average US\$198,133 and a tenor of five years. JMMB Group SME and Corporate portfolio main sectors include business and professional services 16%, health and medicine 13%, food and beverages 7%, and construction and renovation 7%.

All the sub-loans in the above-mentioned portfolio segments (SMEs and Corporate lending) will meet IDB Invest’s eligibility criteria. JMMB Group will not finance either Category A (high risk) subprojects as defined by IDB Invest or those involving activities included in IDB Invest’s Exclusion List.

The transaction is considered Paris Agreement aligned based on an analysis conducted in accordance with the IDB Group Paris Alignment Implementation Approach.

- 3. Environmental and Social Risks and Impacts.** The E&S risks are likely to be moderate. The main E&S risks of this transaction are associated with JMMB Group’s capacity to identify and manage the E&S risks associated with its lending activities. The main risks associated with JMMB Group lending activities include working rights, health and safety, and pollution prevention.

JMMB Group has an exclusion list, an Environmental and Social Management System (“ESMS”), and E&S Policy focus on its banking operations in Jamaica. However, E&S risk screening is not yet part of JMMB Group’s investment assessment. These aspects will be required as a condition of IDB Invest’s credit line and are included in the action plan below.

- 4. Mitigation Measures.** JMMB Group Limited will be required to evaluate, manage and monitor environmental and social risks through the application of an ESMS at the Group level, which will include the application of IDB Invest exclusion list, local law and the International Finance

Corporation (“IFC”) Performance Standards (“PS”) (if applicable)<sup>1</sup>. For this development, JMMB Group, will seek the support of an external qualified consultant. The ESMS will include an overarching policy, categorization guide, due diligence checklist, legal clauses, and monitoring procedures.

**5. Environmental and Social Action Plan (“ESAP”):**

Item	Task	Description	Deliverable	Deadline
1	Designate a person responsible for E&S matters at the Group level	JMMB Group will designate a person responsible for E&S issues and ESMS implementation	Letter of appointment	Before commitment
2	Develop an ESMS for JMMB Group	JMMB, with the support of a qualified consultant, will strengthen and expand its ESMS to be applicable at the Group level, consistent with IIC Sustainability Policy, and in line with IFC’s PS 1 <sup>2</sup> . Including IDB Invests’ exclusion list. This ESMS will also serve as an overall umbrella that unifies possible existing policies and procedures that exist in country level operations.	ESMS document for the Group	9 months post disbursement
3	Review the first three sub-loans requiring the application of IFC PS	To support the application of the ESMS, JMMB Group will hire a consultant, and submit to IDB Invest the E&S reports to (i) confirm categorization; and (ii) review action plan (if required).	E&S Due Diligence Report per each sub loan	As soon as available
4	Capacity building at the Group level	With the support of a consultant train senior management, loan officers, and credit analysts on ESMS implementation and IFC PS. Training of new personnel.	Certificate of training completion	6 months post disbursement (annual reporting for new personnel)

**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](mailto: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](mailto:mecanismo@iadb.org) or [MICI@iadb.org](mailto:MICI@iadb.org), or calling +1(202) 623-3952.

<sup>1</sup> In cases of higher risk sub-loans and/or where project costs exceed US\$5,000,000, and the tenor is greater than 36 months.

<sup>2</sup> [Interpretation Note on Financial Intermediaries. IFC.](#)