

## Environmental and Social Review Summary (“ESRS”) FINCA / 12001-02 – Haiti

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### 1. Scope of Environmental and Social Review

The environmental and social review of the proposed transaction was carried out through a desk review and conference calls with FINCA Haiti’s management team. FINCA Haiti was a client of IIC (currently IDB Invest) in 2014 and has a history of working closely with multilateral banks.

### 2. Environmental and Social Categorization and Rationale

The sub-projects to be supported have a low-risk potential, and are micro, small and medium enterprises (MSMEs) focused mainly on commerce and services. Therefore, per IDB Invest’s Environmental and Social Sustainability Policy, this has been categorized as an FI-3 project.

The average loan size for FINCA Haiti is US\$277 with a tenor of 6 months. The main asset classes include village banking (group lending), microfinance and SMEs. For the overall portfolio, the maximum loan size is US\$ 90,000 with 12 months tenor. The main sectors include retail 60.2%, services 27.9%, manufacturing 7.6%, and agriculture/animal production 4.3%.

### 3. Environmental and Social Risks and Impacts

The main E&S risks of this transaction are associated with FINCA Haiti’s capacity to identify and manage the E&S risks related with its lending activities. The potential risks associated with its main lending activities include the provision of adequate labor and working conditions. FINCA Haiti has an exclusion list and a Social and Environmental Performance Management System. FINCA Haiti has a Human Resources Manual as well as an internal and external grievance mechanism.

### 4. Mitigation Measures

FINCA Haiti will be required to confirm that all loans supported comply with IDB Invest Exclusion List, applicable E&S local laws, and assign an employee to oversee environmental and social compliance. To enable the Borrower to better understand IDB Invest requirements, FINCA Haiti will be required to take the IDB Invest online training course on Environmental and Social Risk Management<sup>1</sup>.

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<sup>1</sup> <https://cursos.iadb.org/en/indes/environmental-and-social-management-system-business-opportunity> (The ESMS: a business opportunity).

**5. Environmental and Social Action Plan** Not required.

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