

## Environmental and Social Review Summary (“ESRS”) Banco COMAFI / 12280-02 – Argentina

**Original language of the document:** Spanish  
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- 1. Scope of Environmental and Social Review:** The environmental and social (E&S) review of the proposed transaction was carried out through desk research, phone calls with the client, and a portfolio review. Comafi already has a foreign trade line in place with IDB Invest. Due to the financing obtained from other development financial institutions, Comafi has in place a suitable framework of E&S policies and procedures, which are considered consistent with IDB Invest’s Sustainability Policy.
- 2. Environmental and Social Categorization and Rationale:** The proposed transaction is classified as an FI-2 according to the IDB Invest Sustainability Policy. Comafi will leverage the funds to finance its SME financial lease and security interest-backed portfolio, especially focused on the agriculture, commerce, services and industrial sectors. Within the SME segment, loans average US\$60,000, with a 36-month average tenor.
- 3. Environmental and Social Risks and Impacts:** The E&S risks are likely to be minimal to moderate given the proposed use of the funds. The main risk is Comafi’s ability to monitor and manage the E&S risks associated with the end clients. In the segment of financial lease-for-agriculture segment, the E&S risks may be as well related to the clients’ primary activities in terms of the production methods they use. This includes the use of the land, soil pollution, etc.
- 4. Mitigation Measures:** With financing from other Development Financial Institutions (DFI), Comafi developed an E&S risk management system (ESMS) applicable to corporate finance and the loans related to the uses of the funds from these DFIs. The ESMS includes well-defined roles and responsibilities, categorization guidelines, an exclusion list and a community consultation policy, among others. Comafi has appointed two individuals to further develop the ESMS and monitor its compliance and is a member of Argentina’s Protocol of Sustainable Finance. Comafi has an overarching HR policy and a consumer protection policy in place. Under the conditions of this financing transaction, Comafi shall continue to apply the ESMS, the local regulations and the IDB Invest Exclusion List to the quality of the assets financed to SMEs. Training will also be required (or proof of completion shall be shown) on E&S risk management and reported on annually.

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

Action Item	Description
ESMS update	The ESMS will be updated to guarantee compliance with the E&S requirements across the financed SMEs. The ESMS shall include an additional due diligence matrix based on higher risks (including sector, term and amount in US\$).
Review of three transactions over US\$1 million	Comafi shall submit the first three transactions over US\$1 million for review with proof of the E&S due diligence and its action plan.
Update of legal agreements	Updated loan agreements with specific mention of the Borrower's obligation to comply with the local E&S laws.

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](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.