Early Warning System

IDBI-11858-02

Banco Santa Cruz SME Partnership

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Quick Facts

Countries	Dominican Republic
Financial Institutions	IDB Invest (IDBI)
Status	Proposed
Bank Risk Rating	U
Voting Date	2018-11-16
Borrower	Banco Santa Cruz
Sectors	Finance
Investment Type(s)	Loan
Investment Amount (USD)	$ 10.00 million
Loan Amount (USD)	$ 10.00 million
Project Cost (USD)	$ 10.00 million

Project Description

According to the bank, the objective of this transaction is to increase access to financing for small and medium size enterprises ("SMEs") in the Dominican Republic by supporting the growth of Banco Santa Cruz's SME portfolio. To do this, IDB Invest is proposing a Senior Unsecured Loan of approximately US$10 million to Banco Santa Cruz, with a term of up to four (4) years (the "Project").

People Affected By This Project

Table 1. Environmental and Social Action Plan

No.

Task

Description

Expected Deliverable

Deadline

1

Improvement of E&S Policy and Procedures

Improve E&S policy and procedures, including the integration of E&S sector guides and organization, resulting in a revised E&S Policy, exclusion list and procedures manual, including flowchart and role for each division.

Copy of the improved E&S policy and procedures

Condition precedent to first disbursement

2

Pilot Testing and Integration of the ESMS

Test the ESMS on selected clients/projects and adjust E&S policy, procedures and tools as necessary ("pilot") and ensure full inclusion of E&S procedures and sector guidelines into Banco Santa Cruz's processes and systems.

Copy of the Pilot testing report, with final recommendations for implementation

Three months after first disbursement.

3

Approval of the ESMS

Confirmation of External E&S Advisor on completeness of ESMS including E&S Sector Guidelines available and adopted by Banco Santa Cruz.

Copy of the final confirmation report from an external E&S advisor

Six months after first disbursement

4

Final Board approval of the ESMS Implementation

Full review of functioning ESMS and implementation of E&S Sector guidelines and formal approval of ESMS by Board / Directorio and roll-out to entire portfolio.

Copy of the ESMS Board approval statement

One year after first disbursement

5

Capacity Strengthening & Training of the ESMS

Investment Description

- IDB Invest (IDBI)

Financial Intermediary

Financial Intermediary: A commercial bank or financial institution that receives funds from a development bank. A financial intermediary then lends these funds to their clients (private actors) in the form of loans, bonds, guarantees and equity shares. Financial intermediaries include insurance, pension and equity funds. The direct financial relationship is between the development bank and the financial intermediary.

- Banco Santa Cruz (Financial Intermediary)

Contact Information

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For inquiries and comments to IDB Invest, contact: IDB Invest's Communications Group / E-mail: divulgacionpublica@iadb.org

For project inquiries, including environmental and social questions related to an IDB Invest investment, please contact the client or the IDB Invest using the contact information provided above. As a last resort, affected communities have access to the IDB Invest Independent Consultation and Investigation Mechanism.

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Campaign Documents

- Company Overview of Banco Santa Cruz S.A.