Early Warning System

IDBI-12416-01

Banco Regional Agribusiness Financing Partnership

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Quick Facts

Countries	Paraguay
Financial Institutions	IDB Invest (IDBI)
Status	Proposed
Bank Risk Rating	B
Voting Date	2018-10-23
Borrower	Banco Regional S.A.E.C.A.
Sectors	Agriculture and Forestry, Finance
Investment Type(s)	Loan
Investment Amount (USD)	$ 50.00 million
Project Cost (USD)	$ 50.00 million

Project Description

According to the project, the proposed operation contemplates a Senior Unsecured Loan to Banco Regional S.A.E.C.A. ("Regional") of up to US$ 50million (the "Loan") to be financed by BID Invest. The Loan will be comprised of two tranches: (i) Tranche I: for an amount of up to US$12 million for a term of seven years, and (ii) Tranche II: for an amount up to US$38 million for a term of five years. The funds of the Loan will be used to finance sub-projects in companies within these sectors: agriculture, livestock, and agribusiness. The Project will include a Technical Assistance ("TA") that will help Regional identify and monitor the financing of green lending opportunities that fall within emerging climate smart agriculture criteria.

People Affected By This Project

Task

Description

Deadline

Update of ESMS

ESMS to be updated to include: (i) formal incorporation of the guides as policy requirements; and (ii) inclusion of categorization and analysis templates. Formal sign off by senior management.

Condition precedent to first disbursement

Updated use of satellite imagery

(i) Establishment of a process to receive periodic (e.g. monthly) satellite imagery on illegal deforestation in the Atlantic Region, and screen against portfolio client coordinates; and (ii) request and analyze satellite imagery from all clients under which the livestock and agriculture guides apply.

(i) Periodic; and (ii) Six months post dispersement

Client engagement

Update legal templates for inclusion of corrective action plans where issues are identified with sub-borrowers; continue client visits to assess E&S risks and engage clients on E&S issues.

Within loan agreements with sub-borrowers

Performance Reports to Senior Management

Provide periodic reporting to senior management on client E&S analysis (% analized, % visited, % with satellite analysis, key findings/recommendations, # clients rejected on E&S grounds, etc.

Periodic

Green Loan Portfolio Analysis

Regional will undertake along with the assistance of a consultant portfolio analysis and/or engagement activities with its clients in the effort to identify, shape and manage green lending opportunities that fall within emerging climate smart-agriculture criteria. Regional will co-finance the cost of the consultant alongside IDB Invest.

Starting 2019

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 Regional SAECA (Financial Intermediary)

Contact Information

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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. 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.

Campaign Documents

- Company Overview of Banco Regional S.A.E.C.A.