

 Early Warning System

IDBI-13030-01

Vinci Impact Fund



Quick Facts

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|-------------------------|-----------------------------------|
| Countries | Brazil |
| Financial Institutions | IDB Invest (IDBI) |
| Status | Proposed |
| Bank Risk Rating | B |
| Voting Date | 2020-09-01 |
| Borrower | Vinci Partners Investimentos Ltda |
| Sectors | Finance |
| Investment Type(s) | Equity |
| Investment Amount (USD) | \$ 10.00 million |
| Loan Amount (USD) | \$ 10.00 million |



Project Description

IDB Invest is considering an equity investment of up to US\$10 million in Vinci Impact and Return IV ("VIR IV" or the "Fund"), an impact investment fund created to provide growth equity for small and medium-sized enterprises ("SMEs") in Brazil, with a focus on less developed regions. Following a triple bottom-line strategy, the Fund will seek market-level returns while deliberately seeking measurable socioeconomic impacts in line with the Sustainable Development Goals ("SDGs") and enhancing environmental, social and governance (ESG) standards.

The Fund's impact strategy will primarily consist of (i) seeking to invest in less developed regions of Brazil, where access to capital and know-how is limited and/or (ii) focusing on companies where there is a clear impact embedded in its business model. Moreover, the Fund will invest in sectors and themes that cover determined SDGs, making VIR's impact framework adherent to the United Nation's development guidelines. Additionally, VIR IV will partner with entrepreneurs that values impact as a mean of operating their businesses and generating value and will target companies and business in which a reliable impact measurement and monitoring framework application is possible on a continuous basis.



People Affected By This Project

Activity

Description

Compliance Indicator

Timeline

Review of the first three operations (after ESMS update)

Vinci Partners will provide detailed E&S due diligence reports of the first three operations (prior to investment), with aim to; (i) confirm the categorization and level of analysis undertaken, and (ii) review the proposed action plans, if any

E&S due diligence reports and action plans

At time of sub-investment

E&S capacity building

Senior management, loan officers and credit analysts will be trained by an experienced firm on the ESMS and IFC Performance Standards. New personnel will also be trained

Certificates of training completion

(annual reporting for new personnel)

6 months post disbursement

Use of external experts

The Fund will outsource the services of an experienced firm to undertake the E&S due diligence process (risk screening, action plan development and monitoring) for any high-level projects/investments. High risk sectors are generally considered those in corporate / project finance that may present significant risks / impacts.

Terms of reference (contract) with firm

On each investment considered high risk

Development of an external grievance mechanism

An external grievance mechanism in accordance with IFC Performance Standard 2 will be developed.

External grievance mechanism

3 months post disbursement



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.

- [Vinci Partners Investimentos Ltda](#) (Financial Intermediary)



Contact Information

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ACCOUNTABILITY MECHANISM OF IADB

The Independent Consultation and Investigation Mechanism (MICI) is the independent complaint mechanism and fact-finding body for people who have been or are likely to be adversely affected by an Inter-American Development Bank (IDB) or Inter-American Investment Corporation (IIC)-funded project. If you submit a complaint to MICI, they may assist you in addressing the problems you raised through a dispute-resolution process with those implementing the project and/or through an investigation to assess whether the IDB or IIC is following its own policies for preventing or mitigating harm to people or the environment. You can submit a complaint by sending an email to MICI@iadb.org. You can learn more about the MICI and how to file a complaint at <http://www.iadb.org/en/mici/mici,1752.html> (in English) or <http://www.iadb.org/es/mici/mici,1752.html> (Spanish).