Early Warning System

IDBI-13655-01

Produbanco Sustainable Bond

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Quick Facts

Countries	Ecuador
Financial Institutions	IDB Invest (IDBI)
Status	Proposed
Bank Risk Rating	B
Voting Date	2021-09-21
Borrower	Banco de la Produccion S.A. - Produbanco
Sectors	Climate and Environment, Finance, Industry and Trade
Ring Fence	Small & Medium Enterprises
Investment Type(s)	Fund
Investment Amount (USD)	$ 10.00 million
Project Cost (USD)	$ 50.00 million

Project Description

The Project consists of supporting Produbanco ("PB") in the first issuance of a Sustainable Bond in the private sector of Ecuador. The total amount of the Bond is up to US$50 million divided in two series: (i) Serie A where IDB Invest will act as an investor with a 100% subscription for an amount of up to US$40 million; and (ii) Serie B, where IDB Invest or IDB, the latter as administrator of the Canadian Climate Fund (C2F), will act as an investor with a 100% subscription for an amount of up to US$10 million. The Serie B will be subject to economic incentives upon compliance of key performance indicators. The funds from the medium-term Bond will be used to finance small and medium-sized companies (SMEs) and PB's green portfolio. Additionally, IDB Invest will provide an advisory service to define the roadmap for PB's NetZero Goal. This will allow it to work towards achieving the commitments assumed to the Net-Zero Banking Alliance initiative to align its loan and investment portfolio with net zero emissions by 2050. Additionally, Produbanco will be supported in the process of structuring the framework and certification of the sustainable bond.

Investment Description

- IDB Invest (IDBI)

Canadian Climate Fund (C2F). This fund is administrated by the IDB, which may be the IDB Group member that will act as an investor with a 100% subscription for an amount of up to US$10 million (Serie B), as the text informs.

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.

- IADB (Financial Intermediary) **contracts with** Canadian Climate Fund (Investor)

Contact Information

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ACCESS TO INFORMATION

You can submit a request for information disclosure at: https://www.iadb.org/en/access-information/information-request

ACCOUNTABILITY MECHANISM OF IDB / IDB INVEST

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 (IDB Invest)-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 IDB Invest 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).

Bank Documents

- ESRS2 PRODUBANCO ENG [Original Source]