

WHAT WE HEARD:

THE CONSULTATION
PROCESS ON IDB INVEST'S
**ENVIRONMENTAL AND
SOCIAL SUSTAINABILITY
POLICY**

DECEMBER 2019





About IDB Invest

IDB Invest, a member of the Inter-American Development Bank (IDB) Group, is a multilateral development bank committed to promoting the sustainable economic development of its member countries in Latin America and the Caribbean through the private sector. IDB Invest finances sustainable enterprises and projects to achieve financial results that maximize economic, social and environmental development for the region. With a portfolio of assets of \$12.4 billion under management and 342 clients in 24 countries, IDB Invest works across sectors to provide innovative financial solutions and advisory services that meet the needs of its clients.

As of November 2017, IDB Invest is the trade name of the Inter-American Investment Corporation.

The opinions expressed in this publication are those of the authors and do not reflect the point of view of IDB Invest, its Executive Board, or the clients it represents.

IDB Invest, December 2019

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1 INTRODUCTION



1.1 WHO WE ARE

IDB Invest,¹ a member of the Inter-American Development Bank (IDB) Group, is a multilateral development bank committed to promoting the economic development of its member countries in Latin America and the Caribbean through the private sector. IDB Invest supports private sector and state-owned enterprises without sovereign guarantees, providing loans, equity investments and guarantees, and partnering with clients and strategic partners to offer advisory and training services.

At IDB Invest, we encourage smart, sustainable business practices that produce economic growth and make a positive development impact. That commitment to sustainable development goes to the heart of our values as an organization.

In the past four years, since the IDB Group consolidated its private sector operations and gave IDB Invest an expanded, more robust mandate, we have strengthened our own practices to better serve our clients and more effectively support sustainable development. That includes updating policies to ensure sound governance.

It is in this context that we are revising our Environmental and Social Sustainability Policy — part of a suite of policies that together lay a solid foundation for responsible, sustainable operations.²

1 In November 2017, the Inter-American Investment Corporation -IIC- adopted a new brand and now refers to itself as IDB Invest (in English) and BID Invest (in Spanish, French and Portuguese).

2 Once approved, the new Environmental and Social Sustainability Policy will operate in close conjunction with other important policies and guidelines of IDB Invest, including:

- IDB Invest Access to Information Policy
- IDB Invest Exclusion List
- Policy of the IDB Invest Independent Consultation and Investigation Mechanism
- IDB Invest Corporate Governance Development Framework

1.2 WHY SUSTAINABILITY MATTERS

Sustainable businesses tend to pose lower risks and are more likely to have a positive, lasting impact on development. Sustainability cuts across sectors, supporting climate-smart agriculture, financing resilient and inclusive infrastructure, expanding access to credit for women entrepreneurs, among others. By working with our clients to put sustainability into practice, we are helping them become more efficient and profitable over time and reinforcing our commitment to sustainable development in Latin America and the Caribbean.

For IDB Invest, sustainability is not just about making an immediate windfall but about operating in a way that can be maintained over time. Sustainability can improve lives, makes good business sense and results in job creation, economic growth and greater development impact in the region.

In working with our clients, we promote using resources responsibly, reducing waste, fostering inclusion and fairness, laying a foundation of good corporate governance, implementing sound social, labor, health and safety practices, among other ways businesses can act sustainably.

Sustainable development is particularly important to the communities our clients work in because it protects and manages resources for future generations, provides long-term economic opportunities for their working population, attracts investment, and fosters good relations between local groups and the private sector.

1.3 RETHINKING OUR POLICY

In the context of IDB Invest's new role as the private sector institution of the IDB Group, we took a fresh look at all our policies and procedures³. We decided to update our approach to sustainable development by revising the Environmental and Social Sustainability Policy (dated 2013). As part of this process, we opened the draft of the new Sustainability Policy to public consultation on June 17, 2019.

The purpose of the IDB Invest Environmental and Social Sustainability Policy (the Sustainability Policy) is to uphold IDB Invest's commitment to sustainability, an integral part of its approach to risk management, as well as its development mandate. The proposed Policy will reflect IDB Invest's vision and current best practices relating to environmental and social sustainability and apply to all activities undertaken and operations financed by IDB Invest, including, among others, direct and indirect financing and technical assistance services. This Sustainability Policy –along with the recently approved Access to Information Policy– forms part of IDB Invest's Sustainability Framework.

The proposed Sustainability Policy includes the requirements specified within such policy and focuses on a single set of international standards: International Finance Corporation (IFC) Performance Standards along with the World Bank/IFC General Environmental, Health and Safety (EHS) Guidelines and the Industry Sector EHS Guidelines. The application of IFC Performance Standards helps clients manage and improve their environmental and social performance through a risk and outcomes-based approach.

This report summarizes the results of a productive public consultation process that has generated meaningful outcomes beyond multiple inputs and suggestions regarding the Policy update. IDB Invest team would like to thank all those individuals and institutions that have dedicated their time to contributed to our Sustainability Policy revision process.

³ In November 2017, the Inter-American Investment Corporation -IIC- adopted a new brand and now refers to itself as IDB Invest (in English) and BID Invest (in Spanish, French and Portuguese).



2 THE CONSULTATION PROCESS

2.1 INITIAL CONSULTATION PHASE

On June 17, 2019, IDB Invest opened the draft of the new Sustainability Policy to public consultation. The objective during the initial consultation phase was to start gathering opinions about the proposed changes to our existing policy and establish a transparent and constructive dialogue that would give interested stakeholders an opportunity to contribute to the improvement of the Policy's effectiveness.

The draft Policy was posted on a dedicated consultation website in the IDB Group's four official languages, which are Spanish, English, Portuguese and French. In addition to the consultation plan and calendar were also posted. During the initial pre-consultation phase, IDB Invest also took into consideration feedback received from civil society organizations (CSOs) on ways to further improve the format of the consultation website and agendas for the face-to-face meetings. For example, IDB Invest developed separate virtual consultations in Spanish, English and Portuguese in response to CSO requests for more accessible formats. In addition, improvements were made to the consultation platform on the dedicated website such that participants could not only add their country of origin, but also which location(s) they would like to attend for the face-to-face meetings.

The posting about the launching of the consultation website and consultation process was announced internally and externally through a press release, social media campaign and targeted e-mail marketing efforts. Stakeholders were encouraged to review the draft Policy and submit comments via the platform.

During this initial phase (June to July 2019), IDB Invest worked with IDB Group country representatives, IDB civil society liaisons, the Independent Consultation and Investigation Mechanism (ICIM) and IDB Invest departments to identify key stakeholders and interest groups in sectors relevant to our operations. IDB Invest also canvassed outside experts for suggestions on specific organizations and individuals to invite to the consultations in order to reach a diverse, balanced sample of potential stakeholders engaged in environmental and social sustainability practices regionally and globally.

2.2 CONSULTATION PHASE

The Consultation period was a total of 120 days (June to October 2019) and included the initial consultation phase of 30 days plus 90 additional days. This consultation period included the following main mechanisms:

- Digital consultation, through the dedicated website, where people could view the draft Environmental and Social Sustainability Policy and consultation plan, register and present their comments. The website link is: <https://www.idbinvest.org/en/consultation/environmental-and-social-sustainability-policy>.
- Face-to-face consultations with stakeholders at IDB Invest's regional hubs in Panama, Jamaica, Colombia, Argentina, and Washington, D.C. These meetings, held in September, were led by professional facilitators. Virtual consultation events were held in English, Spanish and Portuguese through the free and user-friendly virtual meeting platform Zoom.

2.2.1 IN-PERSON CONSULTATION

The following in-person consultation sessions were held:

- Panama City, Panama; June 24, 2019 during Sustainability Week provided another moment to meet with stakeholders.
- Buenos Aires, Argentina; September 4, 2019
- Bogota, Colombia; September 4, 2019
- Panama City, Panama; September 6, 2019
- Kingston, Jamaica; September 6, 2019
- Washington, DC; September 10, 2019

2.2.2 VIRTUAL CONSULTATION

Virtual consultation sessions were held from Washington, DC, through the Zoom virtual platform on September 12th (English and Spanish) and 13th (Portuguese).

2.2.3 ADDITIONAL CONSULTATIONS WITH INDIGENOUS PEOPLE'S REPRESENTATIVES

In order to ensure the inclusion of indigenous communities in the consultation process, two more events took place. First, IDB Invest met with 10 representatives and leaders of indigenous communities and organizations in Panama⁴ on October 22, 2019. Second, IDB Invest held a teleconference with the General Coordinator of the “Foro Indígena Abya Yala” (FIAY) or the Abya Yala Indigenous Forum on October 30, 2019. The Abya Yala Indigenous Forum brings together indigenous organizations from across the continent, including the Indigenous Council of Central America, Mesoamerican Indigenous Council, Network of Indigenous Women on Biodiversity, The Coordination of Indigenous Organizations of the Amazon Basin, Andean Coordination of Indigenous Organizations, and Continental Liaison of Indigenous Women of the South American Region. In December 2019, IDB Invest held additional meetings with several indigenous groups, representatives and organizations in Brazil. We also received written suggestions regarding the Policy from the Foro Indígena Abya Yala and the Indian Law Resource Center.

2.2.4 CONSULTATION OUTCOMES

Through our consultation process, we received comments from 109 organizations. Examples of the organizations who provided comments include:

- Office of the United Nations High Commissioner for Human rights (OHCHR)
- Bank Information Center
- Asociación Ambiente y Sociedad
- Centre for Law and Democracy
- Indian Law Resource Center

⁴ Included the Organization of Indigenous Women United for the Biodiversity of Panama, the National Coordination of Indigenous Women of Panama, and the National Coordination of Indigenous Communities of Panama.

- Fund for Peace
- Sustentarse
- International Accountability Project
- Fundeps - Fundación para el Desarrollo de las Políticas Sustentables
- Organización Creadora De Oportunidades Para El Mundo "CREAR"
- Foro Abya Yala

The face-to-face consultations held in the region furthered geographic representation. IDB Invest representatives in each location compiled invitation lists that included a range of stakeholders drawn from two main groups:

- Private sector interests (including IDB Invest clients, non-client private sector firms and financial intermediaries and chambers of commerce).
- Civil society and public sector organizations (including NGOs, community-based groups, indigenous organizations, government agencies and academics).

IDB Invest invited approximately 1,500 organizations and individuals to the seven meetings and three virtual sessions. Table 2-1 summarizes stakeholder invitations.

A total of 137 people attended the meetings and virtual sessions, which included 9% of all invitees. Attendees included 73 individuals from civil society and the public sector and 64 from the private sector. Table 2-2 summarizes stakeholder participation.

Table 2-1: Summary of Invitations

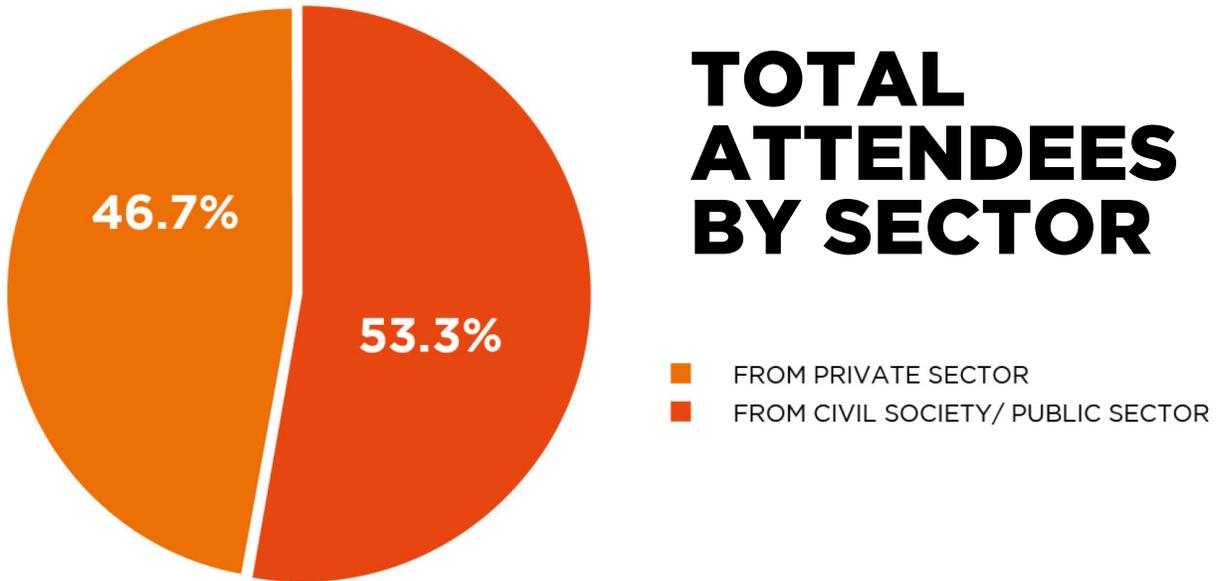
Meeting Place	Total Invited	From Civil Society/ Public Sector/ Academia	From Private Sector
Argentina	425	228	197
Colombia	216	67	149
Panama	400	70	330
Panama, Sustainability Week	27	0	27
Jamaica	80	37	43
Washington	161	113	48
Virtual Session (PT)*	155	91	64
TOTAL	1,464	606	858

*Out of 1,464 invitees, 155 received a special invitation for the virtual session in Portuguese. The remaining 1,309 invitees received invitations for both the in-person sessions and virtual session in English and Spanish.

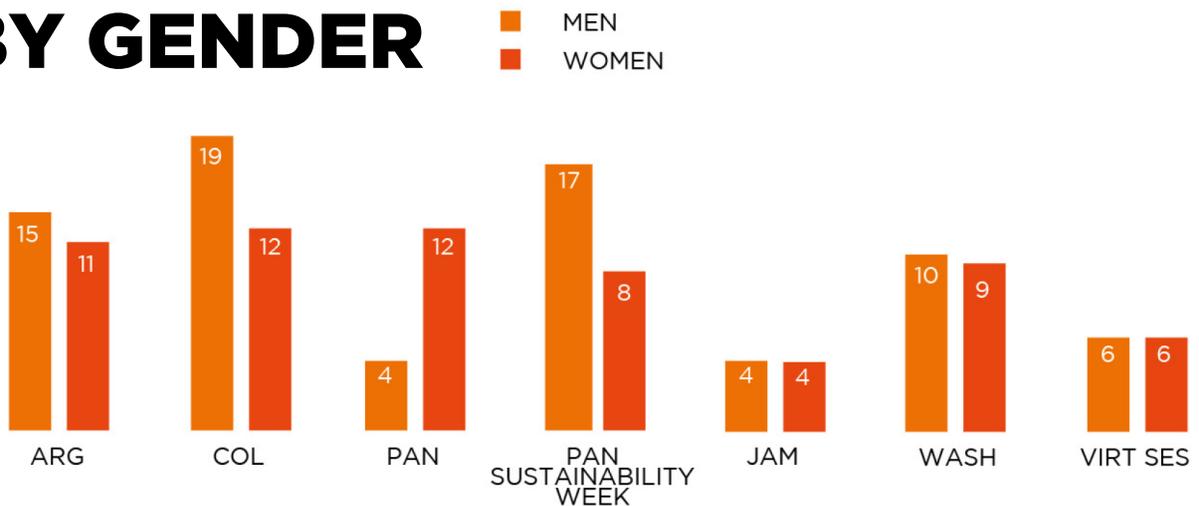
Table 2-2: Summary of Participants in Consultation Meetings

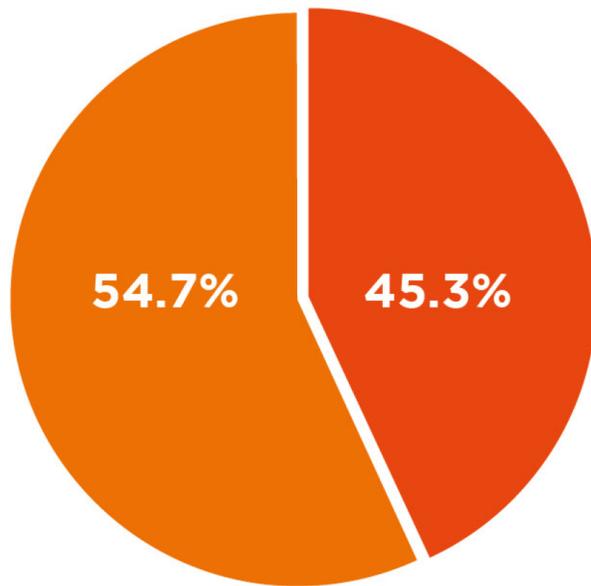
Meeting Place	Total Attendees	Gender Distribution	From Civil Society/ Public Sector	From Private Sector
Argentina	26	W = 11 (42.3%) M = 15 (57.7%)	19	7
Colombia	31	W = 12 (38.7%) M = 19 (61.3%)	23	8
Panama	16	W = 12 (75%) M = 4 (25%)	4	11
Panama, Sustainability Week	25	W = 8 (32%) M = 17 (68%)	0	25
Jamaica	8	W = 4 (50%) M = 4 (50%)	4	4
Washington	19	W = 9 (47.4%) M = 10 (52.6%)	15	4
Virtual Session (SP)	5	W = 3 (60%) M = 2 (40%)	5	0
Virtual Session (EN)	2	W = 0 (0%) M = 2 (100%)	2	0
Virtual Session (PT)	5	W = 3 (60%) M = 2 (40%)	3	2
TOTAL	137 (100%)	W = 62 (45.3%) M = 75 (54.7%)	73 (53.3%)	64 (46.7%)

Figure 2-1: Attendee Breakdown



ATTENDEES BY GENDER





TOTAL ATTENDEES BY GENDER



The consultation meetings were held at local venues and IDB Invest offices. Where attendance numbers warranted, separate meetings were held with civil society and private sector groups to provide additional focus to meeting content. Meetings were two and a half to three hours long. They began with a PowerPoint presentation by IDB Invest representatives that summarized the nature of the organization and its activities and outlined the main characteristics of the draft Sustainability Policy. A third-party facilitator then prompted the discussion around the following questions:

- What is your experience with the current policy?
- What do you think about the main changes proposed to the policy?
- Do you have any other suggestions regarding the policy?

2.3 POST CONSULTA- TION PHASE

Based on the review of the recommendations received during the consultation process, IDB Invest will draft a revised version of the Sustainability Policy, which it will submit to the Board of Executive Directors for consideration. In addition, the summary of comments received that are included in this Consultation Report will be made publicly available.

Should the Board approve the proposed Policy, IDB Invest will publish the revised Policy and its response to the feedback received. As a direct result of the current consultation process, IDB Invest has decided to disclose for virtual consultation an Implementation Manual that will provide operational information to facilitate the implementation of the new Policy. Many of the questions and the suggestions received during the consultation process refer to policy implementation details. IDB Invest believes that by developing the Manual which will be made public, it will be contributing to making its environmental and social risk management process clearer and better understood by communities, civil society and other stakeholders.



3 WHAT WE HEARD



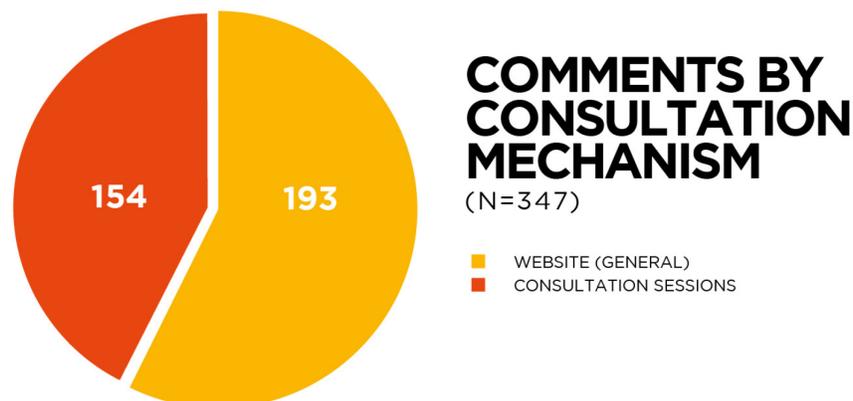
IDB Invest received nearly 350 comments from stakeholders during the public consultation process, both through written submissions and in-person sessions (Figure 3-1). Annex I of this document provides a summary table showing the comments made.

Stakeholders made 195 (56%) comments through the website or emails and 154 (44%) comments directly in the in-person and virtual sessions. Stakeholders representing CSOs provided the majority of the comments (232, or 67%), followed by private sector representatives, who provided 50 comments (14%).

Four topics accounted for nearly two-thirds of all the comments. The most common topic (86 comments; 25%) is related to the implementation of the policy, indicating a general interest in the practical consequences of the new policies on projects, the environment and communities. The other three main areas we received comments on are related to social aspects (such as stakeholder engagement, gender, human rights, contextual risk, grievance mechanisms, reprisals, indigenous, and afro-descendant issues), the sections of the Policy on IDB Invest commitments and the purpose of the policy.

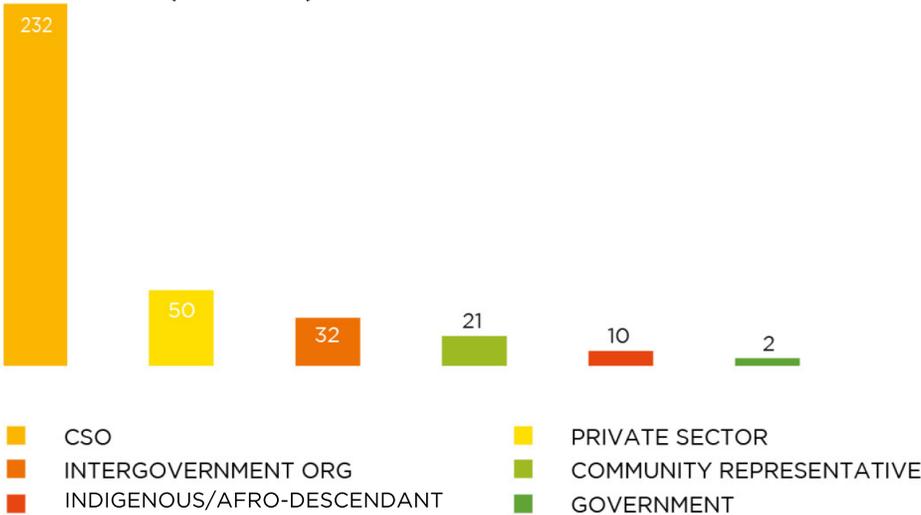
The following sub-sections summarize key comments on each of these four topics.

Figure 3-1: Total Comments by Mechanism, Stakeholder Type and Topic



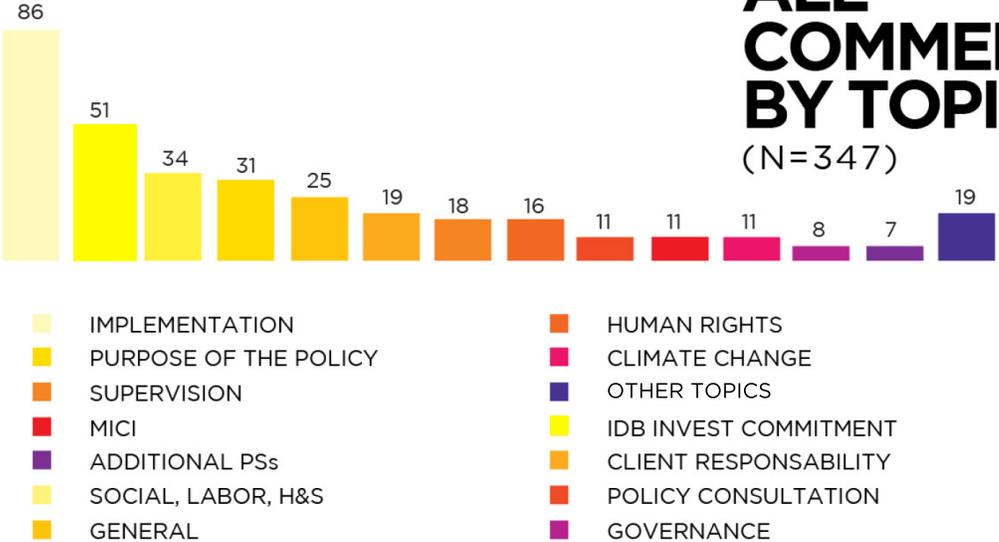
COMMENTS BY STAKEHOLDER TYPE

(N=347)



ALL COMMENTS BY TOPIC

(N=347)



3.1 WHAT WE HEARD GENERAL COMMENTS ON HOW WE IMPLEMENT THE POLICY

The consultation process revealed the need and desire for CSOs to have a more in-depth understanding of IDB Invest’s implementation practices regarding how it appraises and supervises projects. Participants shared inputs on how to improve the implementation of our policy requirements, including reliance on local knowledge and outside expert organizations.

Participants in the consultation process expressed concerns about the extent of policy requirements based on the type of project and their categorization. Participants suggested a dynamic environmental and social risk categorization during the life of the project since the risk levels can often change after the initial environmental and social appraisal process. They emphasized that Category A –or higher-risk projects– enjoy more robust environmental and social assessments, reporting and disclosure requirements, while Category C projects –or low risk projects– have limited to no environmental and social management measures or reporting requirements.

Consultation participants shared that their experience shows a risk of underestimating the risk category of projects, which they suggest can lead to negative impacts.

Participants also recommend that IDB Invest develop an action plan to mainstream all aspects of these policies to be provided to the Board in conjunction with the final policy.

3.2 WHAT WE HEARD SECTION ON SOCIAL ASPECTS, LABOR, HEALTH AND SAFETY

3.2.1 OVERVIEW

There was a view that the social issues section should be separate from the labor, health and safety issues in order to include more social areas. For example, several CSOs mentioned that a new performance standard on gender and stakeholder engagement would be desirable. Human rights, grievance mechanisms and avoidance of reprisals were also highlighted as important issues to be included in the Policy. In addition, IDB Invest received suggestions regarding referencing international law and some key treaties and conventions in the Policy.

Stakeholder Engagement

Participants suggested that the Policy should include more on meaningful stakeholder engagement. It was also suggested that there be a focus on vulnerable groups that might be disproportionately affected by a project and for which differentiated measures should be taken to avoid or minimize these.

Participants also asked IDB Invest to consider a stronger commitment to supporting project-affected people to express their views freely vis-à-vis IDB Invest investments. To that extent, it was suggested that IDB Invest consider making it clearer that it supports the ability of project-affected people to raise concerns, express grievances and seek redress free of the threat of reprisal for expressing their views, even when those views may run counter to the interests of a client, a government or of IDB Invest itself.

3.2.2 GENDER

Participants pointed out that the draft Policy appears to incorporate a gender perspective and considers gender a cross-sectional category. However, it was suggested that the Policy include more on its commitment to gender issues, including mainstreaming of the current IDB Policy on Gender Equality in Development that is in the 2013 IDB Invest Sustainability Policy.

Participants commented that consultation mechanisms should take into consideration a gender perspective and incorporate structural inequalities that limit access to information as well as the participation of women and other gender identities in these mechanisms.

3.2.3 HUMAN RIGHTS

More attention to human rights issues was a prevalent comment received during the consultation process. Several participants expressed that IDB Invest should take all the necessary measures to ensure that projects it finances do not violate human rights. Various participants commented on the need to carry out rigorous human rights due diligence as part of the environmental and social due diligence, particularly in Fragile, Conflict and Violent (FCV) settings taking into account international law and good practice principles embodied in the UN Guiding Principles on Business and Human Rights. Various organizations with expertise in human rights have also provided additional guidance on human rights issues to be considered in this review process, including topics such as: reprisals against project-affected individuals, assessing and addressing supply chain risks, criteria to determine the effectiveness of grievance mechanisms, strengthening due diligence for financial intermediary (FI) lending, a standard on stakeholder engagement that includes a requirement that participation be free of intimidation and coercion, amongst others topics.

3.2.4 GRIEVANCE MECHANISMS AND REPRISALS

The importance of stating IDB Invest's "zero tolerance" against intimidation and reprisals and having procedures to guide IDB Invest and its clients in this area was highlighted in the comments received. In addition, participants stressed the importance of clear grievance redress mechanisms.

3.2.5 INDIGENOUS PEOPLES AND AFRO-DESCENDANTS

Participants throughout the consultation process agreed on the fact that there is room to improve the existing policy. They suggested that IDB Invest should take this opportunity and include in its Policy specific requirements aimed at addressing their shortcomings. In addition, by adopting IFC PS, they said IDB Invest risks weakening its existing safeguards as a result of (1) no longer requiring IDB Group's safeguards policy and (2) overall mainstreaming of several IDB Group policies, including the Indigenous Peoples (OP-765). They believe IDB Invest needs to expand its current policy to include a safeguard measure aimed at protecting Indigenous Peoples in voluntary isolation or initial contact.

As discussed in Section 2 above, separate consultations with indigenous groups and their representatives were carried out as part of this consultation. Key concerns expressed during these consultations include:

- Compliance with the Free, Prior and Informed Consent (FPIC) principle for indigenous people;
- Participation of indigenous communities throughout the project cycle, focusing on the inclusion of young people, women and the elderly;
- Improving consultation (ensuring understanding by all members of the community) and constant communication; and
- Recognizing and valuing indigenous culture and practices.

Additionally, afro-descendant participants also expressed the importance of including an explicit reference to the inclusion of afro-descendants, in addition to indigenous peoples in the context of the Policy and its requirements.

3.3 WHAT WE HEARD SECTION OF POLICY ON IDB INVEST'S COMMIT- MENTS

According to participants, the policy should establish specific commitments for:

- Minimization and adaptation to climate change, including minimizing greenhouse gas emissions from the projects it finances;
- Inclusion of the necessary measures to reduce disaster risk to acceptable levels, as well as the need for IDB Invest to require its clients to disclose appropriate information on their emergency preparedness and response activities to Affected Communities and other relevant parties in the planning phase and in the case that an emergency or disaster occurs;
- Confirming broad community support and Indigenous Peoples' Free, Prior and Informed Consent (FPIC) when they are required;
- Ensuring stakeholders are protected from the threat of reprisals or retaliation;
- Inclusion of avoidance of forced displacement as a primary condition and only if it cannot be avoided, require clients to guarantee fair compensation and livelihood restoration to those who are physically or economically displaced or restricted from their household, community or livelihood;
- Independent verification of compliance with each of the projects that may cause negative impacts, and
- Demonstrating and mobilizing lessons learned from projects.

Participants stated that clear commitments need to be developed and explained in procedural manuals with quantitative and qualitative outcome indicators, which will allow civil society and the IDB Invest itself to determine their compliance and effectiveness.

Comments were received indicating that wording in the policy states the IDB Invest commits to develop a series of actions such as "promote", "support", "provide", "contribute", and "expand". However, specific commitments, whose compliance is measurable, reportable and verifiable should be developed, as mentioned above.

Participants also saw the value in referring to the IFC Performance Standards within the text of the Policy, as these standards are widely known among a wide array of clients and IDB Invest co-financiers. Participants expressed that such inclusion could probably improve the likelihood that the IFC Performance Standards be successfully implemented by clients and overseen by experts such as IDB Invest staff and/or external consultants.

3.4 WHAT WE HEARD COMMENTS ON THE PURPOSE OF THE POLICY

Several comments sought more reference to carrying out development in a sustainable manner, as well as IDB Invest's risk management approach. Cross-referencing the Access to Information Policy was also suggested to clarify that it is part of IDB Invest's Sustainability Framework. Participants also suggested to put more emphasis on the positive benefits in the communities where IDB Invest clients operate. In addition, participants suggested further clarification in the wording of the Policy to avoid confusion regarding the fact that any updates to the IFC performance standards will automatically be incorporated into the Sustainability Policy if they occur after this policy is approved.

Another comment raised is that the purpose of this Policy, "should be more people-centered." Participants stated that communities possess legitimacy and local expertise that can strengthen project design, anticipate and mitigate adverse impacts and ensure that projects achieve positive impacts that align with the communities' own development priorities

3.5 WHAT WE HEARD IDB INVEST'S IMPLEMENTATION OF THE SUSTAINABILITY POLICY

Participants suggested that a heading be included clarifying IDB Invest's Roles and Responsibilities. In general, participants sought more detail on IDB Invest's investment approach with information on direct investments and those made through financial intermediaries (FI). Specific implementation requests include:

- Inclusion of contextual risk assessment in the environmental and social appraisal process;
- Consideration of local sources of knowledge during appraisal and supervision process;
- More clarity on what IDB Invest requires of FI clients, including greater detail on the requirement to develop an Environmental and Social Management System (ESMS), and a suggestion regarding greater disclosure of high-risk FI projects; and
- More clarity and specific recommendations on categorization and the categorization approach.

3.6 GENERAL POLICY COMMENTS

A reoccurring comment was the importance of defining the scope of the Policy and to address clearly what standards apply to allow for a better application and management, both for the organization itself, as well as for its clients and the interest groups, which must apply and comply with the Policy's requirements.



4 CONCLUDING REMARKS

We have received valuable input during this consultation process, and we are grateful for the time that so many people invested in providing their comments. This report and the annexed table aim at summarizing what we heard. Once we make the revisions to the draft Policy, we will update and disclose a new version of the Consultation Report to include a summary of our responses to what we have heard and how these will be considered in the Policy and/or the implementation of the Policy.

As we have discussed in our meetings, an important part of our work is how we implement the policy and for this reason we will also develop an Implementation Manual, the draft of which will be disclosed as part of an additional consultation process. Much of the input we received during this consultation process will also be considered when drafting the Implementation Manual.



5 ANNEX I: SUMMARY OF RECEIVED COMMENTS



WHAT WE HEARD: CONSOLIDATED COMMENTS ON IDB INVEST'S ENVIRONMENTAL AND SOCIAL SUSTAINABILITY POLICY

ISSUE BY TYPE	ISSUES RAISED BY STAKEHOLDER
GENERAL COMMENTS	Include in the Policy links to the website where one can download the last versions of IFC's Performance standards and its general and sector guidelines.
GENERAL COMMENTS	Include an infographic where the Sustainability Policy can be identified as an umbrella for all other Performance Standards and guidelines.
GENERAL COMMENTS	The Policy needs to convey with more precision its scope and how it will be applied.
GENERAL COMMENTS	Provide a more detailed explanation of the clients' responsibility, according to business sector and risk categorization.
GENERAL COMMENTS	Include a concept framework or declaration of principles and a glossary to standardize the concepts used in the document, such as "positive development results," "environmental and social sustainable projects," among others.
GENERAL COMMENTS	Refine the content's hierarchy so there is a clearer distinction between considerations and responsibilities.
GENERAL COMMENTS	Explain the difference between "impacts" and "environmental risks."
GENERAL COMMENTS	Address the gaps in the IFC's Performance Standards in terms of mitigation and adaptation to climate change, gender, the use of security forces, contextual risk analysis, persons with disabilities, stakeholder engagement, afro descendants and indigenous peoples.
GENERAL COMMENTS	Include more references to the role of civil society (NGOs, academia, communities) in the interpretation and implementation of the Policy requirements.

WHAT WE HEARD: CONSOLIDATED COMMENTS ON IDB INVEST'S ENVIRONMENTAL AND SOCIAL SUSTAINABILITY POLICY

GENERAL COMMENTS	Expand on the links between following sustainable practices and profitability.
GENERAL COMMENTS	Address the issue of reprisals against communities affected by projects, including specific language regarding this issue and the access to grievance mechanism for affected communities.
GENERAL COMMENTS	Include references to the Extractive Industries Transparency Initiative (EITI) standards in the Policy and to the Global Reporting Initiative (GRI) in the corporate governance section.
GENERAL COMMENTS	Create a section for each social aspect in the Policy.
GENERAL COMMENTS	Include clear metrics for the selection of projects in which to invest.
GENERAL COMMENTS	Apply Cumulative Impact Assessment (CIA) and Strategic Environmental Assessments (SEA) to every aspect of environmental and social risks management
PURPOSE OF THE POLICY	The Policy should aim at sustainable development focused on a proactive commitment on the part of clients to increase the positive externalities of the operations they finance in order to generate genuine benefits that improve people's quality of life.
PURPOSE OF THE POLICY	The Policy needs to reflect that truly sustainable development is indispensably people-centered, projects should be oriented towards and designed around the priorities of its purported beneficiaries-communities.
PURPOSE OF THE POLICY	Ensure that communities are explicitly named every time the term "stakeholder engagement" comes up.
PURPOSE OF THE POLICY	Include clear evaluation criteria for the preparation of Environmental Risks Assessment and indicate how IDB Invest is going to implement corrective measures in the case of non-compliance.

WHAT WE HEARD: CONSOLIDATED COMMENTS ON IDB INVEST'S ENVIRONMENTAL AND SOCIAL SUSTAINABILITY POLICY

IDB INVEST COMMITMENTS	Include concrete commitments that can be measurable, reportable and verifiable in all the sections where IDB Invest promises to “promote,” “support,” “provide,” “contribute,” and “amplify.”
IDB INVEST COMMITMENTS	Include concrete commitments to the independent verification of each project susceptible to causing negative impacts, and to provide stakeholders free access to such reporting efforts.
IDB INVEST COMMITMENTS	Include commitments on topics such as “climate change’s mitigation and adaptation and the development of low carbon emissions” and “biodiversity, ecosystem services and protected areas”
IDB INVEST COMMITMENTS	Explicitly outline a commitment to freedom of expression of project-affected stakeholders and implement a process that ensures their protection from the threat of reprisals or retaliation for their views or expression.
IDB INVEST COMMITMENTS	Provide for the nuances of the complex regional context in which IDB Invest operates and include lessons learned from projects in the past 6 years.
IDB INVEST COMMITMENTS	Include language that ensures IDB Invest ensures the collaboration of the State in project-related activities that need governmental participation.
IDB INVEST COMMITMENTS	Provide capacity building to companies designing and implementing projects in areas such as gender, LGBT and indigenous peoples.
IDB INVEST COMMITMENTS	Include language stating that project-related information available to the public should be frequently updated and include data on measures implemented after project approval / due diligence.
SUSTAINABILITY POLICY AND CONSULTATION PROCESS	Obtain inputs from the indigenous peoples of the region, through their representative organizations, on the Draft Policy and the Socio-Environmental Performance Standards that it supports.
SUSTAINABILITY POLICY AND CONSULTATION PROCESS	Obtain inputs from both indigenous peoples and relevant government agencies of the countries that share the Amazon basin and the Gran Chaco region on the

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	content of the safeguards aimed at protecting indigenous peoples in voluntary isolation.
SUSTAINABILITY POLICY AND CONSULTATION PROCESS	Clarify how IDB Invest will incorporate and consider the recommendations made considering that the consultation plan does not establish a second phase of consultation on the draft Policy.
ENVIRONMENTAL AND SOCIAL RISK CATEGORIZATION	Require the creation and disclosure of all environmental and social documentation for all projects, regardless of risk category.
ENVIRONMENTAL AND SOCIAL RISK CATEGORIZATION	Include a mechanism to recategorize a Project if needed.
CLIENT RESPONSIBILITIES	Clearly define the responsibility of the actors involved, without judgement of IDB Invest's co-responsibility in the application, supervision, evaluation and monitoring, even though it was done by a third party.
CLIENT RESPONSIBILITIES	Explicitly require the client to disclose and inform affected communities about the existence and ability to file a complaint at the MICI throughout the project lifecycle.
CLIENT RESPONSIBILITIES	IDB Invest must conduct themselves and demand from their clients a detailed field study that identifies the role of women and other gender disparities in each community in order to elaborate projects that meet specific needs and reduces gaps in violence.
CLIENT RESPONSIBILITIES	The interpretation of IFC PSs should be more flexible.
HUMAN RIGHTS	Apart from applying the safeguards in operations and activities through financial intermediaries, IDB Invest must take all necessary measures to ensure their compromise with human rights and all activities that involve human rights both directly and indirectly.
HUMAN RIGHTS	Consider the evaluation of impacts on human rights to complement the usual evaluation of social impacts. Include a guide for evaluation and management of impacts on human rights as an instrument within the socio-environmental policy

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	framework that the Draft Policy supports or develop an instrument for assessing impacts on human rights.
HUMAN RIGHTS	Consider the Declaration of the Right to Development (United Nations, 1986).
HUMAN RIGHTS	Include OECD guiding principles on human rights in the policy.
SOCIAL ASPECTS, LABOR, HEALTH AND SAFETY	Strengthen the creation and maintenance of the constant participation mechanism in parallel to the consultation process for specific projects according to international standards on collective rights and human rights.
SOCIAL ASPECTS, LABOR, HEALTH AND SAFETY	Align the Policy with the Regional Agreement on Access to Information, Public Participation and Justice in Environmental Matters in Latin America and the Caribbean (2018), also known as the Escazú Agreement.
SOCIAL ASPECTS, LABOR, HEALTH AND SAFETY	Explicitly recognize IDB Invest's co-responsibility in ensuring that communities are able to access and impart information throughout the project cycle, without passing the entirety of this responsibility to its clients. IDB Invest should ensure that this responsibility must begin to be fulfilled at project inception.
SOCIAL ASPECTS, LABOR, HEALTH AND SAFETY	Refer to conventions, declarations, committees, general recommendations, or international treaties regarding gender.
SOCIAL ASPECTS, LABOR, HEALTH AND SAFETY	Present the gender perspective in a general manner, but also translated to a more concrete, clear, and specific way for each area if it is intended to be incorporated by mainstreaming and considering intersectionality.
SOCIAL ASPECTS, LABOR, HEALTH AND SAFETY	Refrain from financing projects that do not include gender equality in the criteria or where evaluations result in increasing gender inequality, violence, abuse and discrimination. As a requirement for financing a project, the bank must incorporate an evaluation of the domestic environment of those involved, especially in vulnerable communities, considering gender impacts and addressing the structural inequalities that exist due to gendered division of labor.

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SOCIAL ASPECTS, LABOR, HEALTH AND SAFETY	Incorporate all forms of gender-based violence such as symbolic, psychological and structural violence, proposing concrete measures to prevent these actions that increase inequalities in accessing opportunities regarding professional development.
SOCIAL ASPECTS, LABOR, HEALTH AND SAFETY	Modify the consultation mechanisms to include gender perspectives that clarify the way in which gender equality will be guaranteed within public consultations. Incorporate structural inequalities that limit access to information, such as the participation of women and those with other identities.
SOCIAL ASPECTS, LABOR, HEALTH AND SAFETY	Include concrete measures for clients to prevent abuse. For example: trainings, gender mainstreaming, usage of gender indicators in all projects, etc.
SOCIAL ASPECTS, LABOR, HEALTH AND SAFETY	Prepare Terms of Reference and environmental impact studies considering indigenous groups.
SOCIAL ASPECTS, LABOR, HEALTH AND SAFETY	Communicate projects to indigenous communities to facilitate dialogue and prevent potential conflict.
SOCIAL ASPECTS, LABOR, HEALTH AND SAFETY	Include provisions for private security contractors can implement special consideration in contexts where violence prevails.
SOCIAL ASPECTS, LABOR, HEALTH AND SAFETY	Provide a clear definition for “meaningful consultation” and include metrics to verify that participation in IDB Invest consultations is right and sufficient.
SOCIAL ASPECTS, LABOR, HEALTH AND SAFETY	Clarify the meaning of the term “Gender” so it can be understood that includes LGBTQ+ individuals.
SOCIAL ASPECTS, LABOR, HEALTH AND SAFETY	Consultations need to be done in a way that is accessible for people with disabilities.

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SOCIAL ASPECTS, LABOR, HEALTH AND SAFETY	Regarding Performance Standard (PS) 1, indicators should be developed to track inclusion of people with disabilities and this shouldn't just be done during the appraisal phase.
SOCIAL ASPECTS, LABOR, HEALTH AND SAFETY	Include mentions about other vulnerable communities such as afro descendants/ African indigenous people
SOCIAL ASPECTS, LABOR, HEALTH AND SAFETY	Include a consultation in at least one of the major indigenous languages, e.g. Maya
FINANCIAL INTERMEDIARIES	<p>Incorporate lessons learned from the IFC regarding the Financial Intermediaries.</p> <ul style="list-style-type: none"> - Provide greater clarity on what IDB Invest requires of FI clients, including more detail on the requirement to develop an Environmental and Social Management System (ESMS) - Provide clear guidance, guidelines and requirements that incentivize greater transparency and disclosure of information on high-risk projects financed by financial intermediaries. - Establish clear objectives and incentives with specific deadlines for those working within financial intermediary institutions to incorporate a culture of transparency, good governance and progress towards a more systematic approach of disclosing information on high-risk projects. - Include mechanisms in its contracts for “general loans” that allow it to track and identify the projects, activities or operations in which they invest. In addition to the responsibility assumed by IDB Invest to evaluate a financial intermediary's portfolio, in indirect activities IDB Invest should be carefully selective in evaluating its financial intermediaries, avoiding high-risk activities.
APPROACH FOR INVESTMENT PROJECTS	Assessing the strength of a given country's “remedy ecosystem” - i.e. whether there are effective avenues for redress locally or nationally for project impacts - should become a routine part of the contextual due diligence, with a specific examination of the roles of the client and IDB Invest in participating or contributing to them.
APPROACH FOR INVESTMENT PROJECTS	We recommend a more explicit commitment in the Environmental and Social Sustainability Policy to integrate contextual risk (broadly defined as focusing on fragility, vulnerability, capacity, and resilience) into investment decisions.

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ADDITIONAL PERFORMANCE STANDARDS	Specific PS's governing labor, resettlement, indigenous peoples, gender and (as recommended) stakeholder engagement should be interpreted in light of applicable international human rights standards.
ADDITIONAL PERFORMANCE STANDARDS	The ESAP should include a self-standing Performance Standard on Stakeholder Engagement, such as that adopted by the World Bank and EBRD (ESS 10), including a requirement that participation be free of intimidation or coercion.
ADDITIONAL PERFORMANCE STANDARDS	Explicitly include the current Operational Policy on Gender Equality in Development (OP-761; 2010) of the IDB in the new Environmental and Social Sustainability Policy of IDB Invest.
ADDITIONAL PERFORMANCE STANDARDS	<p>Adopt a standard for Stakeholder Engagement and Information Disclosure that includes:</p> <ul style="list-style-type: none"> - Clear minimum requirements for what is considered acceptable with respect to stakeholder identification and participation, information disclosure and consultation, and grievance mechanisms especially for, but not limited to, high or substantial risk projects. - Ensure that stakeholder participation is made accessible and safe. - Commit the client to being deliberately inclusive and participatory. - Include specific actions to be taken by the client in identified contexts of restricted civic space, to ensure safe participation of all stakeholders and to prevent and respond to retaliation.
ADDITIONAL PERFORMANCE STANDARDS	Develop a policy specific for gender and implement gender auditing
INDEPENDENT CONSULTATION AND INVESTIGATION MECHANISM (MICI)	The Policy should specify how MICI experiences should help IDB Invest improve its performance and how IDB Invest will incorporate MICI's learning and recommendations on an ongoing and constant basis to improve and strengthen the supervision and implementation of sustainability policies.
INDEPENDENT CONSULTATION AND INVESTIGATION MECHANISM (MICI)	Intertwine and reference related provisions of IDB Invest's Access to Information Policy , as the counterpart to this Policy in the core Sustainability Framework, so that the relationship between the production of environmental and social documents, information disclosure, and stakeholder engagement in enabling meaningful participation by affected communities, is made explicit.

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IMPLEMENTATION OF THE SUSTAINABILITY POLICY	Evaluation criteria for different actors must be written outside of the Policy's text, making sure that the Policy is general and brief.
IMPLEMENTATION OF THE SUSTAINABILITY POLICY	Apply the principle of proportionality considering that for SMEs, the application of Performance Standards is very onerous.
IMPLEMENTATION OF THE SUSTAINABILITY POLICY	Mention the Nagoya Protocol to protect native resources and communities that live off the resources.
IMPLEMENTATION OF THE SUSTAINABILITY POLICY	Clarify the concept of "demobilization of the workforce" and include specific plans for labor disengagement that determine IDB Invest's responsibilities on the specific project. Specify the client's responsibilities in context with the project, the historic state debt with the region and the impacts directly caused by the project. Clients cannot be responsible for historical liabilities.
IMPLEMENTATION OF THE SUSTAINABILITY POLICY	Provide access to tools, explain in detail how Delta works and share the score with the client.
IMPLEMENTATION OF THE SUSTAINABILITY POLICY	Define "reasonable period" when it refers to the client's responsibilities. Include information on how IDB Invest evaluates project's portfolio when it finances financial institutions.
IMPLEMENTATION OF THE SUSTAINABILITY POLICY	Project must be evaluated in a systematic way, not segmented, adjustments must be provided that incentivize a comprehensive systematic evaluation of the environmental and social impacts.
IMPLEMENTATION OF THE SUSTAINABILITY POLICY	Flags critical importance of doing upstream assessments. If incentives shift and leverage of lender shifts, it becomes harder to get borrowers to comply.
IMPLEMENTATION OF THE SUSTAINABILITY POLICY	Include new methods on monitoring deforestation and biodiversity impacts.

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IMPLEMENTATION OF THE SUSTAINABILITY POLICY	Clarify the connection to financial results that are embedded in the Resource Efficiency PS and reinforce by making it an obligation
IMPLEMENTATION OF THE SUSTAINABILITY POLICY	Consult directly with affected communities and not just through representatives during the consultation phase of a project
IMPLEMENTATION OF THE SUSTAINABILITY POLICY	Suggest clarifying the difference between FPIC and the consultation process.
IMPLEMENTATION OF THE SUSTAINABILITY POLICY	Open the Implementation Manual for Public Consultation and including and prioritizing communities affected by our projects
SUPERVISION	Expand IDB Invest's responsibilities for supervision and strengthened, including specific requirements, procedures and criteria that define responsibilities and clear times for supervision, reporting and remedial measures for the "regular program of supervision of the management of environmental and social risks and impacts" that IDB Invest agrees with clients in the legal arrangements.
SUPERVISION	Adopt IFC's responsibilities for environmental and social due diligence, and supervision of client compliance found in the IFC Sustainability Policy (i.e., art 23 to 27 / 29 to 39) and in the Environmental and Social Review Procedures (2016).
SUPERVISION	Specify procedures and criteria to apply corrective measures that range from increasing assistance and supervision to the withdrawal of financing on the part of IDB Invest when the client fails to comply with the environmental and social standards.
SUPERVISION	Establish clear objectives and incentives to ensure that the Safeguards Unit (SEG) has the mandate, budget, staff, and sufficient capacity to carry out its supervisory function effectively and to help clients address all types of problems that arise related to project affected communities.
SUPERVISION	Due diligence should be continuous throughout the project cycle.

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SUPERVISION	Establish the obligatory compliance of MICI's recommendations. Follow in detail the legal compliance, in relation to the project and the community, to listen and minimize negative effects.
SUPERVISION	Emphasize the supervision of customer subcontractors. Evaluate the effectiveness of applying the policy and the PS.
SUPERVISION	Make the periodicity of project supervision subject to change according to the risk. Provide a tool for supervision and monitoring for subcontractors.
SUPERVISION	Implement training for the appropriate implementation of the policy.
SUPERVISION	Provide feedback when ESAP compliance is demonstrated. Standardize the supervision process in frequency, format, monitoring, reporting.
SUPERVISION	Explain how to avoid the lack of commitment by clients when the payment is given in advance and IDB Invest's supervision only lasts for the duration of the contract.
SUPERVISION	Review IFC's procedures for supervision.
SUPERVISION	Identify fraudulent practices.
SUPERVISION	Include a clear liability matrix is, especially when authorities confuse the bank's and entrepreneur's position.
CLIMATE CHANGE	Include a climate change Performance Standard.
CLIMATE CHANGE	Include criteria for case studies, develop an experience curve by monitoring beneficiaries. Support environmental certification in the value chain. Identify mechanisms that do not constrain SMEs. Consider circular economy.

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CLIMATE CHANGE	Incorporate a comprehensive assessment of climate hazards in the policy.
CLIMATE CHANGE	“Technical Assistance for effective management systems” should perhaps be rephased as it sounds like it refers to quality management and it should be opened up more to sustainability certifications
CLIMATE CHANGE	Strategic Impact Assessments (SIAs) should be included as they can help avoid problematic projects
CLIMATE CHANGE	There should be a greater focus on early investigation, avoidance and strategic Risk Management
GOVERNANCE	Highlight governance and make more reference to compliance.
IMPACT AND EVALUATION	Include “international nongovernmental organizations” among the organizations who can provide technical assistance.
IMPACT AND EVALUATION	Explain clearly how BID Invest finances avoidance and how it supports governance. Mentioning the mitigation hierarchy is a good start with explicit reference to avoidance.
IMPACT AND EVALUATION	Provide more detailed information about the Sustainable Infrastructure Framework and promote the engagement of IDB Invest's Advisory Services through the entire project cycle.

The logo for IDB | Invest, featuring a stylized white bird icon to the left of the text "IDB | Invest" in a white sans-serif font. The background is a solid dark teal color with a decorative pattern of overlapping, concentric white arcs in the bottom right corner.

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