

Environmental and Social Review Summary (ESRS)

Project Name:	ALIADOS: An innovation-investment hub for regenerative bioeconomy in Ecuador's Amazon
Project Number	EC-G1005
Project Location:	Ecuador
Executing Agency:	Fundación Aliados (the "EA")
Type of Operation:	Contingent Recovery Investment Grant ("CRIG")
ESRS Issuance Date:	November, 2022

1. General Information of the Project and Scope of IDB Lab's E&S Review

The transaction consists in a CRIC facility in favor of Fundación Aliados to finance the capitalization of an investment fund (the "Investment Fund") that will provide blended finance investment mechanisms to support regenerative agriculture and bioeconomy with Indigenous communities in the Amazon (the "Transaction").

Fundación Aliados is a non-profit organization incorporated in Ecuador that has over a decade's experience working across a variety of organic and agroforestry value chains.

The due diligence was conducted by the origination team through email and virtual call conferences.

2. Environmental and Social Categorization and Rationale

The transaction was screened pursuant to IDB Environmental and Social Policy Framework and categorized as FI-2 given that the activities to be financed by the fund (agriculture) are expected to have potential medium adverse Environmental & Social ("E&S") risks or impacts. The Investment Fund will not support category A sub-projects or investments involving: (i) involuntary resettlement; (ii) risk of adverse impacts on indigenous peoples; (iii) significant risks to or impacts on the environment, community health and safety, biodiversity, or cultural heritage; (iv) significant occupational health and safety risks; or (v) any activity included in IDB Exclusion List.

3. Environmental and Social Risks and Impacts

The E&S risks and impacts of the Transaction derive from the EA's capacity to assess and manage E&S risks associated to the potential pipeline in the agricultural sector, which are expected to be mostly of medium-low to medium E&S risk nature.

4. Mitigation Measures

The disbursement of the CRIG will be contingent upon the development of an environmental and social management system (“ESMS”) for the Investment Fund, which shall be commensurate with the E&S risk profile of the expected portfolio.

5. Environmental and Social Action Plan (ESAP)

No	Activity	Deliverable	Deadline
1	Develop an ESMS to screen E&S risks of the Investment Fund	ESMS	Before the first disbursement of the CRIG