



# INDEPENDENT VERIFICATION REPORT

*Alignment of IDB Invest with  
the Operating Principles for  
Impact Management*

To the General Manager,

In response to your request, we verified that IDB Invest impact management system, as described in its policies and procedures (the "Policies") and summarized in its Annual Disclosure Statement, dated April 8, 2020 (the "Statement"<sup>1</sup>), is aligned with the Operating Principles for Impact Management (the "Principles"), for US\$12.3 billion of its assets under management as of December 31, 2019.

#### ➔ MANAGEMENT RESPONSIBILITY FOR THE ALIGNMENT OF ITS IMPACT MANAGEMENT SYSTEM WITH THE PRINCIPLES

It is IDB Invest's responsibility to define the processes, roles and responsibilities necessary to align its organization with the Principles, as well as to publicly report on its website ([www.idbinvest.org](http://www.idbinvest.org)), on an annual basis, its commitment to the Principles and the extent to which the impact management system is aligned with them.

#### ➔ INTERNAL AUDIT INDEPENDENCE AND QUALITY CONTROL

We have complied with the independence and ethical requirements in accordance with the International Standards for the Professional Practice of Internal Auditing, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

We apply International Standard on Quality Control and, accordingly, maintain a comprehensive system of quality control including documented policies and procedures regarding compliance and ethical requirements, professional standards and applicable legal and regulatory requirements.

#### ➔ INTERNAL AUDIT RESPONSIBILITY

Our responsibility is to express a limited assurance conclusion on the compliance of the impact management system of IDB Invest with the Principles described in the *Annual Disclosure Statement*, based on the procedures we performed and the evidence we obtained. We conducted our review in accordance with the International Standards for the Professional Practice of Internal Audit issued by the Institute of Internal Auditors (IIA) and our Quality Assurance and Improvement Program. Such Standards require that we plan and perform this engagement to verify whether the Statement is free from material misstatement. A limited assurance engagement has a substantially narrower scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

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<sup>1</sup> Available at [www.idbinvest.org](http://www.idbinvest.org)

## ➔ NATURE AND SCOPE OF WORK

We performed the following procedures based on our professional judgment:

- › Verified that the Policies address each of the Principles.
- › Assessed the relevance, completeness, reliability, neutrality and understandability of the Policies in relation to the Principles.
- › Conducted interviews with the people responsible for defining, applying, and enforcing the Policies.
- › Performed walk-through tests to verify the correct application of the Policies.
- › Verified the amount of assets under management (as of December 31, 2019) aligned with the Principles.
- › Examined the integrity of the information provided in the Statement in relation to the Policies.

The scope of our procedures does not include an assessment of the effectiveness of the IDB Invest impact measurement approach, nor the verification of the resulting impacts achieved.

## ➔ LIMITED ASSURANCE CONCLUSION

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that IDB Invest has not complied, in all material respects, with the Principles for US\$ 12.3 billion of its assets under management as of December 31, 2019.

Washington, D.C. April 8, 2020

*The Independent Verifier:*



**JORGE DA SILVA**

Executive Auditor

Inter-American Development Bank Group