

**TO:** IDB Invest team responsible for the development of the Responsible Exit Principles

**FROM:** Accountability Counsel (United States); Asociación Ambiente y Sociedad, AAS (Colombia); Asociación Interamericana para la Defensa del Ambiente, AIDA (Regional); Bank Information Center (United States); Center for International Environmental Law, CIEL (International); Cohesión Comunitaria e Innovación Social A.C. (Mexico); Colectivo Voces Diversas (El Salvador); Conectas Direitos Humanos (Brazil); Fundación CAUCE: Cultura Ambiental–Causa Ecologista (Argentina); Fundación Ambiente y Recursos Naturales (Argentina); Fundeps (Argentina); GT Infraestrutura e Justiça Socioambiental (Brazil); International Platform against Impunity (Regional); Instituto Maira (Brazil); Red de Comunidades Impactadas por IFIs en América Latina (Regional); Sustentarse (Chile)

**RE: Comments and Recommendations from Civil Society Organizations and Impacted Communities on the Responsible Exit Framework – IDB Invest**

**DATE:** July 7, 2025

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Following the dialogue session organized by the IDB Invest team in May 2025, and given our concern after learning during the IDB Annual Meeting in March in Santiago, Chile, that a draft of the Responsible Exit Framework (REF) already existed without a consultation process, we are sharing a series of comments and recommendations that we consider essential for both the approval process and the final version of the Framework.

**1. Lack of Meaningful Consultation.** The IDB Invest has advanced the development of the REF without conducting a public consultation process, despite precedents of divestments with negative impacts and the Bank's commitments. This omission contradicts fundamental principles of participation, transparency, and human rights promoted by IDB Invest in its social and environmental standards and undermines the legitimacy of the REF. We urge IDB Invest to launch a robust and transparent consultation process tailored to the regional context, creating meaningful opportunities for participation by affected communities and other stakeholders. For more details on our concerns regarding the consultation process, please refer to our [letter](#) to the CEO of IDB Invest.

**2. Remedy Framework.** The REF cannot be effectively implemented or meet international due diligence standards unless it is accompanied, in parallel and in coherence, with a Remedy Framework. Both frameworks must be developed in tandem, as a truly responsible exit involves not only preventing or mitigating impacts and managing risks but also guaranteeing the complete remediation of social, environmental, and human rights harms caused by IDB Invest's investments.

Regarding the content of the presentation by IDB Invest in the meeting requested by our civil society organizations after learning that the REF had been developed without consultation, we express our concern on specific points and share recommendations we believe can be improved and corrected:

**3. The REF must comprehensively address both active and passive exits.** Applying the REF only to active exits overlooks the fact that the consequences of an exit—regardless of whether it is active or inactive—can have a negative impact on communities. The creation of this Framework presents an opportunity for IDB Invest to develop more effective tools, including in loan agreements, to discourage clients from abandoning projects without addressing the harms to communities when they occur. For affected communities, the type of exit is irrelevant when they have suffered harm. Therefore, IDB Invest’s role in taking action and ensuring remedy in cases of environmental and social harm exists independent of the type of exit. We are not suggesting that the IDB Invest apply the same level of leverage in both active and passive exit cases. We understand its maneuverability is limited in passive exits; however, this does not mean its capacity is null. Considering that the Bank’s relationship with clients often extends beyond a specific project, IDB Invest can, as part of its reputational risk management, exclude or condition future operations with clients who have failed to implement responsible exit practices.

**4. A responsible exit requires, at a minimum, the complete remediation of environmental, social, and human rights harms resulting from the investment, as well as the prevention and mitigation of new harms and effective risk management during the exit process.**

Accordingly, IDB Invest must establish clear and verifiable commitments regarding how it will use its financial leverage to ensure that its clients comply with applicable social and environmental standards and provide adequate remedy in the event of an exit. This commitment should include, for example, conditioning the final disbursement of funds on the fulfillment of closure plans agreed with communities; including contractual clauses requiring borrowers to implement remediation actions prior to exit; and maintaining active supervision until outstanding impacts have been addressed. IDB Invest must also explicitly define how it will act in cases where it cannot exert effective influence over a client and unremedied harms remain, including the possibility of direct or collaborative participation and funding of remedy processes. Additionally, as part of its accountability and reputational risk management mechanisms, IDB Invest should consider excluding clients who systematically fail to collaborate in ensuring a responsible exit in line with institutional standards from future operations. Relatedly, IDB Invest must clarify how it will directly contribute to remedy when it cannot influence its clients and harm persists. These actions must be decided in consultation with affected communities.

**5. Exit plans developed under the REF must be co-constructed, agreed upon, and implemented with the communities affected by the operation and the exit.** It must be explicitly stated that stakeholders—especially affected communities—have the right to transparent access to information about the exit, with a mechanism or pathway established for

this purpose. Affected communities should not be left at the mercy of incomplete, speculative, or inadequate information regarding the terms and scope of the exit, whether passive or active. This would only create ambiguity and hinder the enforceability of the Framework, potentially leading to further harm due to poorly designed and implemented exit plans.

**6. IDB Invest must conduct environmental and social due diligence prior to divestment, ensuring that all environmental and social commitments are fulfilled, and to verify compliance directly with communities.**

**7. The prevention and management of reprisals must be an integral element of the Responsible Exit Framework.**

**8. Active or passive exits by the IDB Group must not undermine ongoing processes before the MICI.** When evaluating the appropriateness of an active exit, IDB Invest should apply a presumption against exit when an ongoing MICI process is in place. In any case, no exit should occur without prior consultation with the affected communities.

**9. Given that the pilot phase of the Responsible Exit Framework is tentatively scheduled to begin in the third quarter of 2025, lasting at least 24 months, it is essential that the evaluation incorporate feedback from external stakeholders, particularly civil society and communities affected by past divestments or the pilot phase itself.** For effective implementation, we recommend that IDB Invest establish mechanisms and spaces for participation and dialogue during the pilot phase, and that the lessons learned from these actors be meaningfully incorporated into the review and adjustment of the REF. The IDB Invest should also be transparent regarding the criteria used to evaluate the pilot, as well as the changes resulting from such an evaluation, so that these experiences can contribute to building a robust instrument with broad social legitimacy.

**10. Legal framework.** Just as the contractual rights of IDB Invest borrowers under financing agreements and applicable national legislation were recognized, the international human rights framework that protects people potentially affected by financed operations must be explicitly acknowledged. In this regard, the REF must reflect that human rights—enshrined in international treaties, guiding principles, and global standards—constitute superior obligations that must prevail over commercial interests or expectations. When addressing the rights at stake in an exit process, IDB Invest must recognize this normative hierarchy and ensure that its decisions are aligned with respect, protection, and comprehensive remedy for human rights.

We trust that, as stated by the IDB Invest team during our dialogue, the invitation to consider specific contributions to strengthen the Framework—such as those in this document—will be honored, and that President Goldfajn’s commitment to maintaining a transparent and open dialogue with civil society and affected communities will be taken with the utmost seriousness by IDB Invest.