Early Warning System

FMO-51772

BANCO DAVIVIENDA SALVADOREÑO S.A.

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Quick Facts

Countries	El Salvador
Financial Institutions	Netherlands Development Finance Company (FMO)
Status	Approved
Bank Risk Rating	B
Voting Date	2017-06-07
Borrower	Banco Davivienda Salvadoreño S.A.
Sectors	Finance
Ring Fence	Climate
Investment Type(s)	Loan
Investment Amount (USD)	$ 30.00 million
Project Cost (USD)	$ 60.00 million

Project Description

From the FMO:

Banco Davivienda Salvadoreno is a bank in El Salvador that is part of Grupo Davivienda, a Colombian financial group. The bank provides retail as well as commercial banking products and services.

The majority of the funds provided by the FMO will be allocated to renewable energy projects (solar, wind, hydro, biomass). In addition, funds can be used to finance energy efficiency projects, i.e. through building upgrades, replacements of equipment, lighting etc.

With this transaction the FMO aims to contribute to lower CO2 emissions, cleaner energy and energy savings, and deepen their relationship with Banco Davivienda, with the aim of building a regional partnership for sustainable finance in Central America.

Investment Description

- Netherlands Development Finance Company (FMO)

100% of the USD 60 million syndicated facility will be used for 'green' financing projects.

The FMO is providing USD 30 million in financing and they are catalyzing USD 30 million from the Global Climate Partnership Fund, the B-lender in this facility.

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.

- Banco Davivienda Salvadoreño (Financial Intermediary) **is owned by** Banco Davivienda (Parent Company)

Private Actor Relationship

There is often limited information publicly available about what development banks are funding through financial intermediaries. In 2021, the Early Warning System partnered with Oxfam International to incorporate information on high-risk projects being funded by financial intermediaries receiving funding from the International Finance Corporation (IFC) and the Dutch Development Bank (FMO).

The information listed below describes the relationship between the different private actors linked to high-risk sectors and subprojects of IFC and FMO's financial intermediary investments and/or the financial intermediary's parent companies made from 2017 through 2020, including any associated ring fences.

The database, however, does not explicitly or implicitly imply that IFC or FMO have material exposure to or are contractually or legally accountable to the sub-projects financed by their financial intermediaries or the financial intermediary's parent companies. It only shows a seemingly financial relationship among the different private actors, the financial intermediaries, and IFC or FMO.

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
Banco Davivienda	Investor	Finance	invests in	Acquisition of Petroelectrica de los llanos Transmission Line	Client	Energy
Banco Davivienda	Investor	Finance	invests in	Argos N America Corp	Client	Construction
Banco Davivienda	Investor	Finance	invests in	Autopista Conexion Pacifico 2	Parent Company	Transport
Banco Davivienda	Investor	Finance	invests in	Bank of Nova Scotia	Parent Company	Energy
Banco Davivienda	Investor	Finance	invests in	Bosques De Los Llanos Solar	Client	Energy
Banco Davivienda	Investor	Finance	invests in	Canacol Energy	Parent Company	Mining
Banco Davivienda	Investor	Finance	invests in	Canacol Energy Corporate Facility 2017	Client	Mining
Banco Davivienda	Investor	Finance	invests in	Colpatria	Parent Company	Transport
Banco Davivienda	Investor	Finance	invests in	Edemsa	Parent Company	Energy
Banco Davivienda	Investor	Finance	invests in	El Morro and Termoyopal Power Plants Expansion	Client	Energy
Banco Davivienda	Investor	Finance	invests in	Frontera Energy Corp	Parent Company	Energy
Banco Davivienda	Investor	Finance	invests in	Girardot-Ibague-Cajamarca 4g	Client	Transport
Banco Davivienda	Investor	Finance	invests in	Girardot-Ibague-Cajamarca Highway (35KM) PPP	Client	Transport
Banco Davivienda	Investor	Finance	invests in	Grupo Argos SA	Parent Company	Construction
Banco Davivienda	Investor	Finance	invests in	HB Estructuras Metálicas	Parent Company	Transport
Banco Davivienda	Investor	Finance	invests in	Latinoamericana de Construcciones	Parent Company	Transport
Banco Davivienda	Investor	Finance	invests in	Mincivil	Parent Company	Transport
Banco Davivienda	Investor	Finance	invests in	Mincivil SA	Parent Company	Transport
Banco Davivienda	Investor	Finance	invests in	Petroelectrica de los Llanos S	Client	Energy
Banco Davivienda	Investor	Finance	invests in	Procaps SA	Parent Company	Education and Health

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
Banco Davivienda	Investor	Finance	invests in	Termotecnica Coindustrial	Parent Company	Transport
Banco Davivienda	Investor	Finance	invests in	Termoyopal	Parent Company	Energy
Banco Davivienda	Investor	Finance	invests in	Termoyopal-El Morro Power	Client	Energy
Banco Davivienda	Investor	Finance	invests in	Trina Solar Co Ltd	Parent Company	Energy
Bank of Nova Scotia	Parent Company	Energy	owns	Termoyopal-El Morro Power	Client	Energy
Canacol Energy	Parent Company	Mining	owns	Canacol Energy Corporate Facility 2017	Client	Mining
Colpatria	Parent Company	Transport	owns	Girardot-Ibague-Cajamarca Highway (35KM) PPP	Client	Transport
Edemsa	Parent Company	Energy	owns	Acquisition of Petroelectrica de los llanos Transmission Line	Client	Energy
Frontera Energy Corp	Parent Company	Energy	owns	Petroelectrica de los Llanos S	Client	Energy
Grupo Argos SA	Parent Company	Construction	owns	Argos N America Corp	Client	Construction
HB Estructuras Metálicas	Parent Company	Transport	owns	Girardot-Ibague-Cajamarca Highway (35KM) PPP	Client	Transport
Latinoamericana de Construcciones	Parent Company	Transport	owns	Girardot-Ibague-Cajamarca Highway (35KM) PPP	Client	Transport
Mincivil	Parent Company	Transport	owns	Girardot-Ibague-Cajamarca Highway (35KM) PPP	Client	Transport
Mincivil SA	Parent Company	Transport	owns	Girardot-Ibague-Cajamarca 4g	Client	Transport
Termotecnica Coindustrial	Parent Company	Transport	owns	Girardot-Ibague-Cajamarca Highway (35KM) PPP	Client	Transport
Termoyopal	Parent Company	Energy	owns	El Morro and Termoyopal Power Plants Expansion	Client	Energy
Trina Solar Co Ltd	Parent Company	Energy	owns	Bosques De Los Llanos Solar	Client	Energy

Contact Information

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ACCOUNTABILITY MECHANISM OF FMO

Communities who believe they will be negatively affected by a project funded by the Dutch Development Bank (FMO) may be able to file a complaint with the Independent Complaints Mechanism, which is the joint independent accountability mechanism of the Dutch Development Bank (FMO) and the German Investment Corporation (KfW) . A complaint can be filed in writing, by email, post, or online. The complaint can be filed in English or any other language of the complainant. The Independent Complaints Mechanism is comprised of a three-member Independent Expert Panel and it can provide either problem-solving, compliance review or both, in either order. Additional information about this accountability mechanism, including a guide and template for filing a complaint, can be found at: https://www.fmo.nl/independent-complaints-mechanism