Early Warning System

FMO-56131

HATCH ASSOCIATES LIMITED

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Quick Facts

Countries	Paraguay
Financial Institutions	Netherlands Development Finance Company (FMO)
Status	Approved
Bank Risk Rating	U
Voting Date	2019-07-16
Borrower	Government of Paraguay
Sectors	Finance
Investment Type(s)	Loan
Investment Amount (USD)	$ 0.08 million
Loan Amount (USD)	$ 0.08 million
Project Cost (USD)	$ 0.08 million

Project Description

The Paraguay Banking Sector. Since 2012, FMO has been working with its client banks, non-FMO clients and other stakeholders on a Sector Initiative to collaboratively introduce higher environmental and social standards for the banking sector. FMO has focused primarily on managing the risks associated with natural habitat loss aspects of banka€™s lending in agricultural and cattle sectors due to legal and illegal deforestation.

FUNDING OBJECTIVE

For learning and accountability purposes, FMO is planning to outsource an evaluation on the Sector Initiative in Paraguay. The evaluation has two primary purposes: (i) to provide evidence of results to meet accountability requirements, and (ii) to promote operational improvement, learning and knowledge sharing through results and lessons learned. These lessons learned are deemed important for the continuation of this Initiative as well as any future Sector Initiatives to be supported by FMO.

WHY WE FUND THIS PROJECT

As a DFI, FMO has a role to play to support the banking sectors in the countries in which it operates, to improve environmental and social standards. This is timely in Paraguay where FMO has performed a sector initiative since 2012. It is crucial to assess the effectiveness of this sector initiative before its continuation.

Investment Description

- Netherlands Development Finance Company (FMO)

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.

- Hatch Associates Limited (Financial Intermediary)

Contact Information

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