Early Warning System

IADB-RG-L1152

Emergency and Crisis Regional Financial Facility

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Quick Facts

Financial Institutions	Inter-American Development Bank (IADB)
Status	Active
Bank Risk Rating	B
Voting Date	2021-02-17
Borrower	Regional
Sectors	Climate and Environment, Finance
Investment Type(s)	Loan
Investment Amount (USD)	$ 2.00 million
Project Cost (USD)	$ 12.00 million

Project Description

The project seeks to respond to the liquidity and financing challenges faced by households and businesses in vulnerable and poor segments - as well as the providers of inclusive financial service (PIFS) that serve them - as a result of emergencies produced by natural and other disasters in Central America. The project will support Fundacion Covelo in: (i) responding immediately to the emergency financing needs arising from the natural catastrophes that occurred in 2020; and (ii) the creation of a financial vehicle ("facility") with a permanent horizon to respond to crises generated by natural emergencies, financial crises, or of crises of different nature that affect the supply of financial services or that have the effect of reducing economic activity in the countries of Central American in the future. The proposed new vehicle will respond to the emergency financing needs and demands of PIFS that serve the poorest and vulnerable segments of the region (savings and credit cooperatives, rural agricultural cooperatives, and microfinance institutions). With the availability of such financing, it will sustainably strengthen the supply inclusive financial services catering to thousands of individuals, households, and micro and small enterprises with agile and innovative solutions.

Investment Description

- Inter-American Development Bank (IADB)

The country's counterpart amount to US$ 10,000.00.

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.

- Fundación Covelo (Financial Intermediary)

Contact Information

ACCOUNTABILITY MECHANISM OF IADB

The Independent Consultation and Investigation Mechanism (MICI) is the independent complaint mechanism and fact-finding body for people who have been or are likely to be adversely affected by an Inter-American Development Bank (IDB) or Inter-American Investment Corporation (IIC)-funded project. If you submit a complaint to MICI, they may assist you in addressing the problems you raised through a dispute-resolution process with those implementing the project and/or through an investigation to assess whether the IDB or IIC is following its own policies for preventing or mitigating harm to people or the environment. You can submit a complaint by sending an email to MICI@iadb.org. You can learn more about the MICI and how to file a complaint at http://www.iadb.org/en/mici/mici,1752.html (in English) or http://www.iadb.org/es/mici/mici,1752.html (Spanish).