Early Warning System

IFC-39060

Coopenae II

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Quick Facts

Countries	Costa Rica
Financial Institutions	International Finance Corporation (IFC)
Status	Proposed
Bank Risk Rating	U
Voting Date	2017-05-08
Borrower	Cooperativa Nacional de Educadores RL
Sectors	Finance
Ring Fence	Housing
Investment Type(s)	Loan
Investment Amount (USD)	$ 20.00 million

Project Description

The project consists of a 7 year loan up to US$20 million to Cooperativa Nacional de Educadores (“COOPENAE”) to fund the growth of lending to low and middle income home owners in Costa Rica. The Project is expected to contribute to the WBG goals by supporting economic growth in Costa Rica by providing long term access to finance to mortgages through a leading cooperative in a market faced with poverty and a significant housing deficit, which was identified in Costa Rica as challenges to be tackled

People Affected By This Project

Contribution to Economic Growth. The Project is expected to contribute to the WBG goals by supporting economic growth in Costa Rica by providing long term access to finance to mortgages through a leading cooperative in a market faced with poverty and a significant housing deficit, which was identified in Costa Rica as challenges to be tackled. \rDemonstration Effect: By providing renewed long term funding to Coopenae, IFC hopes to show its continued support to the cooperative sector that finances the mid to lower end of the pyramid, to create a more competitive environment in the banking sector and encourage further finance from development institutions to the segment. IFC's loan hopes to increase availability of longer tenor lending instruments to provide low and middle income mortgages.\rCorporate Governance Enhancement: By providing funding to Coopenae for a second time IFC will monitor and follow up on Corporate Governance recommendations from 2011 investment to reach best global practices

Investment Description

- International Finance Corporation (IFC)

The project sponsor is Coopenae, which is the leading regulated, deposit-taking cooperative Costa Rica with a 24% market share amongst the cooperatives. Coopenae is the third largest cooperative in Latin America, and the sixth financial institution in the country measured by assets. It is owned by its 103,361 members.

Coopenae was founded in 1966 to provide services to teachers but from 2006 opened up its memberships to all types of clients.

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.

- Cooperativa Nacional de Educadores RL (Financial Intermediary) **is owned by** Coopenae (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.

Contact Information

ACCOUNTABILITY MECHANISM OF IFC

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org. You can learn more about the CAO and how to file a complaint at http://www.cao-ombudsman.org/

CONTACTS
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