Early Warning System

IFC-40028

GFO Loan II

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Quick Facts

Countries	Colombia
Financial Institutions	International Finance Corporation (IFC)
Status	Approved
Bank Risk Rating	C
Voting Date	2017-12-12
Borrower	GRUPO FACTORING DE OCCIDENTE S A S
Sectors	Finance
Ring Fence	Small & Medium Enterprises
Investment Type(s)	Loan
Investment Amount (USD)	$ 20.00 million
Project Cost (USD)	$ 20.00 million

Project Description

The project consists of a proposed IFC investment to support the growth of Grupo Factoring de Occidente's ("GFO" or the "Company") factoring portfolio (the "Project") to small and medium enterprises ("SMEs") in Colombia. The Project will enable IFC to re-engage with a non-banking financial institution with a proven business model for delivering liquidity solutions to SMEs and mobilize additional funding to diversify their funding sources. The investment will also support the growth of the factoring market in Colombia, which is currently at an early stage.

Investment Description

- International Finance Corporation (IFC)

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.

- Grupo Factoring de Occidente S.A.S. (Financial Intermediary)
- GRUPO FACTORING DE OCCIDENTE S A S (Financial Intermediary) **is owned by** Grupo Factoring de Occidente (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 Actors Description

Grupo Factoring de Occidente was created by Andres Felipe and Juan Carlos Gonzalez Venegas, which together hold 50% plus one share of the Company. In 2011, Kandeo acquired a 50 percent stake of the Company.

Mr. Juan Carlos Gonzalez is a consolidated entrepreneur who has been GFO’s CEO since its inception in1995. On the other hand, Mr. Andres Felipe Gonzalez joined GFO in 2001 as the Regional Manager of GFO’s branch in Cali.

Kandeo is a US$377 million in AUM private equity funds manager created in 2010, looking to invest in companies in Colombia, Mexico and Peru that provide financial services to people and companies, mainly SMES, that are not catered to efficiently or effectively by traditional financial institutions.

Contact Information

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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/