Early Warning System

IFC-41293

Central Fin Agri

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Quick Facts

Countries	Sri Lanka
Financial Institutions	International Finance Corporation (IFC)
Status	Active
Bank Risk Rating	B
Voting Date	2018-06-15
Borrower	CENTRAL FINANCE COMPANY PLC
Sectors	Agriculture and Forestry, Finance
Ring Fence	Small & Medium Enterprises
Investment Type(s)	Loan
Investment Amount (USD)	$ 20.00 million

Project Description

The funding will support the expansion of CF's MSME portfolio in the agriculture sector, with an emphasis on financing climate-smart agriculture solutions and women-owned enterprises. The proposed project is part of IFC's 'Sri Lanka Agriculture Finance Program'. The Program would consist of the following components:1. Capacity development of Participating Financial Institutions (PFIs): on agri value chain financing and development of related products2. Awareness creation: modern, efficient practices to enhance quality and productivity among agri-value chain players3. Risk mitigation: Introduce agri insurance products and climate smart agricultural practices. 4. Improve Enabling Environment: Work on policy measures to improve the enabling environment in line with government's Vision 20255. Funding: Provide funding to chosen PFIs to lend to agri value chain playersTo achieve this IFC will work closely with the World Bank, government stake holders and private sector partners.

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.

- Central Finance Company PLC (Financial Intermediary) **is owned by** Central Finance (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

CF is a public company listed in the Colombo Stock Exchange. The company was established by the late Mr. Chandra Wijenaike in 1957. The Wijenaike family and the Share trust established for the welfare of CF’s employees currently hold around 35.6% of the voting rights. Other large shareholders include the Employees Provident Fund with a 10.7% shareholding.

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Central Finance Company PLC	Client	-

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/

Other Related Projects

- IFC-41271 Alliance Loan
- IFC-41285 NDB Agri Loan