

Early Warning System

MIGA-15005

Findeter

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Quick Facts

Countries	Colombia
Financial Institutions	Multilateral Investment Guarantee Agency (MIGA)
Bank Risk Rating	U
Borrower	Findeter S.A.
Sectors	Climate and Environment, Finance, Infrastructure
Investment Type(s)	Guarantee, Loan
Investment Amount (USD)	$ 249.36 million
Loan Amount (USD)	$ 200.00 million

Project Description

PROJECT DESCRIPTION

This summary covers an application made by Findeter S.A. (Findeter) to cover a lending facility proposed to be made available to Findeter by JPMorgan Chase Bank, N.A. of the United States.,and other lender(s) yet to be identified.

MIGA's coverage has been sought in relation to a Non-Honoring of Sovereign Financial Obligations by a State-Owned Enterprise (NHFO-SOE) guarantee for up toUS$249.36 million[1]equivalent in COP to cover an up to approximately US$200 million equivalent COP loan with a tenor of up to 4 years.

MIGA's NHSOE instrument will be used to support Findeter's local lending operations with a focus on climate finance infrastructure projects that will foster and support green economic recovery in Colombia after the effects caused by the COVID-19 pandemic, and lay out the basis for the stabilization, protection, and reactivation of the Colombian business base.

ENVIRONMENTAL CATEGORIZATION

Findeter provides financing to support infrastructure projects in Colombia. MIGA has a long-standing relationship with Findeter, having supported a previous project in 2014. For this project, the MIGA guarantee will mainly target Findeter's climate finance projects (in line with MIGA's climate finance methodology) such as renewable energy, water and sanitation, and urban mobility. Some of these projects could have significant environmental and social (E&S) risks and impacts, and as such, the portfolio is considered high risk. This project has thus been categorized as FI-1 under MIGA's Policy on Environmental and Social Sustainability (2013).

Similar to other FI projects, the main E&S considerations for this project relate to Findeter's ability to identify, assess, and manage the E&S risks and impacts associated with its lending activities (through intermediary financial institutions) and the management of labor matters. MIGA analyzed the Findeter's portfolio for types of transactions, tenor, size, industry sectors, and exposure to MIGA's Exclusion List. MIGA also analyzed Findeter's E&S risk management procedures in line with the requirements of Performance Standard 1: Assessment and Management of Environmental and Social Risks and Impacts (PS1), and Findeter's labor practices in line with the requirements of Performance Standard 2: Labor and Working Conditions (PS2). The applicable E&S requirements for this project will be: (i) MIGA Exclusion List; (ii) applicable E&S laws and regulations in Colombia; and (iii) MIGA E&S Performance Standards.

As of December 31, 2021, loans to financial institutions (FIs) represented 86.9% of Findeter's portfolio, with direct loans to public institutions representing 13.1%. The main sectors supported include transport, education, housing and urban development, health, energy development, and water and sanitation. Findeter has no exposures to activities on the MIGA Exclusion List.

Findeter has an E&S management system (ESMS) and an E&S team responsible for the implementation of the E&S risk management procedures. Although Findeter lends through intermediary FIs, for facilities supported by development finance institutions such as MIGA, the E&S risk management of the underlying projects is handled by Findeter. The ESMS includes a detailed procedure for identifying, assessing, and managing E&S risks and impacts associated with final beneficiaries' activities. Key aspects of E&S risk management process include screening against Fidenter's Exclusion List (which is aligned with MIGA's Exclusion List); risk identification and categorization; assessment of compliance with applicable E&S laws and regulations and screening against the Performance Standards; and monitoring of E&S performance of projects. Where required, action plans are developed to address E&S gaps and E&S covenants are also included in agreements with final beneficiaries and the intermediary FIs. The E&S performance of projects is monitored periodically, with site visits conducted if required. Findeter also has a procedure for receiving and addressing E&S complaints and queries in line with PS1.

Findeter's emergency response procedures are in line with the requirements of PS1. In response to the COVID-19 pandemic,

Investment Description

- Multilateral Investment Guarantee Agency (MIGA)

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.

- JPMorgan Chase & Co (Financial Intermediary)

Contact Information

ACCESS TO INFORMATION

You can submit a request for information disclosure at: https://www.miga.org/contact/access_to_information

You can also request general information about MIGA and for information on guarantees by emailing: migainquiry@worldbank.org

ACCOUNTABILITY MECHANISM OF IFC/MIGA

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