Early Warning System

IFC-43051

DCM FDC Gender

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Quick Facts

Countries	El Salvador
Financial Institutions	International Finance Corporation (IFC)
Status	Proposed
Bank Risk Rating	B
Voting Date	2020-10-15
Borrower	Federacion de Cajas de Credito y de Bancos de los Trabajadores SC de RL
Sectors	Finance
Investment Type(s)	Loan
Investment Amount (USD)	$ 60.00 million

Project Description

The project aims to provide long-term financing to Federación de Cajas de Crédito y de Bancos de los Trabajadores, S.C. de R.L. de C.V. (Fedecredito or FDC), an existing IFC client, for up to US$60 million in the form of a Diversified Payments Rights (DPR) notes issuance. The proceeds will be used to provide access to finance to micro, small, and medium size enterprises (MSMEs) and lower income individuals in El Salvador. At least 25% of the proceeds will be to fund women-owned or -led very small and small enterprises (WVSEs and WSEs, together WOE) through FDC's Member Financial Institutions (MIs) (the Project).

People Affected By This Project

The most significant expected Project-level outcome is increased access to finance for MSMEs as well as increased access to finance for WOEs. Beyond the project level outcomes, IFC anticipates that the investment would promote greater inclusiveness via demonstration and replication channels to increase access to finance to women and rural areas of El Salvador. Through this Project, FDC hopes to further standardize its operations across the country, expand its footprint into underserved segments (rural, women), and establish the viability of lending to these segments with customized products and enhanced interoperability, which could spur the pace of financial inclusion in El Salvador for the rural poor and women enterprises, which currently face disproportionately more constraints.

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.

- Federacion de Cajas de Credito y de Bancos de los Trabajadores SC de RL (Financial Intermediary)

Contact Information

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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