

Annex B – Public Information Summary

Host Countries	Colombia
Name of Fund	Ashmore Avenida LatAm Energy Efficient Affordable Housing Fund III
Name of Fund Manager	Ashmore Avenida LatAm Energy Efficient Affordable Housing Fund III GP
Project Description	The fund will take a gender lens approach to investing in the development of sustainable low-income housing in Colombia.
Proposed DFC Equity Investment	Up to \$22.5 million
Target Fund Size	\$150 million
Policy Review	
Developmental Objectives	The Fund is expected to have a highly developmental impact in Colombia through construction of new residential housing in Bogota and Medellin. The country reports over 1.3 million households, about seven percent of all households, lack access to housing units according to the quantitative housing deficit aggregate. The Fund will focus on serving the <i>Vivienda de Interés Social Prioritaria</i> (VIP) and <i>Vivienda de Interés Social</i> (VIS) market segments, which involve price caps based on the legal minimum wage as well as government subsidies. While the country’s housing deficit primarily affects these segments, a considerably smaller share of new housing has targeted VIP and VIS sales, including in Bogota and Medellin. The Fund will also support substantial local income flows through jobs and materials procurement for construction, a sector that generates nearly seven percent of GDP.
Environment and Social Assessment	SCREENING: The Project has been reviewed against the DFC’s 2020 Environmental and Social Policy and Procedures (“ESPP”) and has been determined to be categorically eligible. The capitalization of a fund is screened as a Category D activity for the purposes of environmental and social assessment. Based on DFC’s due diligence, the Fund’s downstream investments are anticipated to pose medium or limited environmental and social risks that are site specific and that can be readily mitigated though the application of sound environmental and social management practices. To ensure that the Fund’s investments are consistent with DFC’s statutory and policy requirements, the Project will be subject to conditions regarding the use of the DFC proceeds.

APPLICABLE STANDARDS: Under the DFC’s ESPP, the Fund is required to comply with applicable local and national laws and regulations related to environmental and social performance and applicable provisions of the 2012 International Finance Corporation's Performance Standard (“PS”) including those related to fire and life safety. For this Project, applicable provisions are:

PS 1: Assessment and Management of Environmental and Social Risks and Impacts

PS 2: Labor and Working Conditions

PS 3: Resource Efficiency and Pollution Prevention

PS 4: Community Health, Safety, and Security

PS 5: Land Acquisition and Involuntary Resettlement

PS 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources

PS 7: Indigenous Peoples

PS 8: Cultural Heritage

The Fund represents that all land on which the subprojects will be constructed will be purchased from existing landowners voluntarily at market rates. In addition, the Fund represents that through the implementation of its ESMS it will verify that no persons will be physically or economically displaced, nor will there be any impacts on Indigenous Peoples or cultural heritage during acquisition or construction of its projects. Therefore, significant impacts on land acquisition, indigenous peoples, or cultural heritage are not anticipated.

However, because the Project involves an equity investment in a Fund that will construct and operate real estate developments through undetermined developers, and the final details of those developments (size, location, etc.) are not known at this time, DFC will incorporate certain prohibitions and requirements related to PS 5 through PS 8 in the Investment Agreementthe Consent Agreement. In addition to the Performance Standards listed above, the IFC’s April 30, 2007 Environmental, Health, and Safety General Guidelines are applicable to the Project.

Because there are no specific sites identified selections at the time of the clearance it was not possible to reveal impacts to protected areas or other ecologically sensitive areas. The Fund represents that all required permits, applications, and local requirements will be met. Significant impacts concerning biodiversity are not anticipated at the time of the writing of the clearance. Therefore, PS 6 is not triggered at this time.

KEY ENVIRONMENTAL AND SOCIAL ISSUES AND MITIGATION: The primary environmental and social issue associated with the Project is the need for a strong Environmental and Social

	<p>Management System to ensure that downstream investments are developed in accordance with DFCs Environmental and Social Policies and Procedures (ESPP). The Fund Manager has a formal Impact Framework that serves as its (“ESMS”) that was designed “fit-for-purpose” for housing projects and to align with local law, the IFC Performance Standards 1-8, and the DFC’s ESPP for its previous funds. It was updated in 2021 and is also currently undergoing further updates to enhance its ESG reporting, contractual requirements with developers, and other best practices and lessons learned from its previous ventures. Moreover, the ESMS has been expanded to include the consideration of environmental certifications at the subproject level, as well as the alignment with, analysis and reporting of key performance indicators in line with the U.N. Sustainable Development Goals (“SDGs”).</p> <p>The Fund represents that each developer will be contractually obligated to incorporate and implement the Fund’s ESMS along with the Fund’s general operating policies and procedures during the life of each subproject. The Fund’s ESMS was designed to be consistent with the IFC’s Performance Standard 1 and defines the environmental and social objectives and principles that will be used to guide the Project in achieving sound environmental and social performance. The ESMS also contains a description of procedures to be followed by developers for coordinating with contractors and subcontractors to ensure that environmental and social standards, guidelines, and training flow down to those who are responsible for managing on-the-ground construction work.</p>
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