

Public Information Summary

Host Country(ies)	Mexico, Colombia, Brazil, Peru, Argentina ⁵⁰ , and Chile ⁵¹
Name(s) of Fund	Dalus Capital Fund III, L.P., an Ontario, Canada limited partnership
Name of Fund Manager	Dalus Group LLC, a Delaware limited liability company
Project Description	A venture capital fund making seed, series A, and series B round equity investments in entrepreneur-backed, innovative startups with the following investment themes: inclusion, climate innovation, business productivity, and consumer access to digital services. Target sectors include fintech, logistics, mobility, e-commerce, agtech, edtech, SaaS, energytech, and healthtech. The Fund will support the creation of climate-tech businesses given 30% of the Fund is committed to climate innovation-related transactions. The Fund's will seek to promote women's economic empowerment in and through the making of investments across all the aforementioned sectors.
Proposed DFC Equity Investment	The lesser of \$15 million or 20% of the Fund's total capitalization.
Target Fund Size	\$130 million
Policy Review	
Developmental Objectives	The Fund is expected to have a positive development impact in Latin America by providing much-needed seed, Series A, and Series B investments into early-stage tech-enabled start-ups. The Fund will focus on companies with innovative solutions for climate change mitigation and adaptation and companies that practice and promote gender equity, helping fill the gap for impact-focused early-stage capital in the region. The Fund Manager will also engage deeply with portfolio companies to develop impact strategies and set and track impact-related targets.
Environment and Social Assessment	The Project has been reviewed against DFC's 2020 Policies and Procedures manual ("ESPP") and has been determined to be categorically eligible. DFC equity investments into investment funds who will subsequently support micro, small and medium enterprises are screened as a Financial Intermediary C (FI-C) for environmental and social assessment. These downstream investments are expected to result in minimal adverse environmental and social impacts. Therefore, all those downstream investments have been pre-screened as low risk and further review and consent is not required for these investments.

	<p>To ensure that the Fund’s investments are consistent with the DFC’s statutory and policy requirements, the DFC loan will be subject to conditions regarding the use of proceeds. The primary environmental and social issues identified in this transaction relate to the need for an Environmental and Social Policy (“ESP”) that meets the 2012 IFC Performance Standards.</p> <p>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”) 1 and 2. A desk-review based due diligence assessment indicates that because the Project will use DFC support for MSME investments throughout Latin America, significant adverse impacts concerning community health and safety, biodiversity, land acquisition and resettlement, indigenous people, and cultural heritage are not anticipated; therefore, PS 3, 5, 6, 7, and 8 are not triggered at this time. The Fund does utilize armed private security and therefore, relevant aspects to IFC PS 4, Community Health, Safety, and Security are triggered.</p> <p>The Fund has an Impact Strategy with some components of an Environmental and Social Policy and human resources policies generally commensurate with its investment strategy. However, it will require updating and strengthening of these procedures and policies to meet the expectations listed in the DFC’s 2020 Environmental Policy and Procedures and IFC PS 1.</p>
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