

Host Country(ies):	Republic of Colombia
Name of Borrower(s):	Banco Davivienda S.A.
Project Description:	The proceeds of the Loan will be used to lend to low-income home buyers throughout Colombia.
Proposed OPIC Loan:	USD 243.0 million for up to 12 years
Total Project Costs:	USD 324.0 million
U.S. Sponsor:	Wells Fargo Bank, N.A.
Foreign Sponsor:	Banco Davivienda S.A.
<b>Policy Review</b>	
U.S. Economic Impact:	The Project is not expected to have a negative impact on the U.S. economy. There is no U.S. procurement associated with this Project, and, therefore the Project is expected to have a neutral impact on U.S. employment. The Project is expected to have a negative five-year U.S. balance of payments impact.
Developmental Effects:	This Project is expected to have a highly developmental impact by expanding the availability of mortgages to low-income home buyers in Colombia. A housing shortage is a chronic problem for Colombia, and according to UNDP, mortgage lending comprised only 5.5% of its GDP in 2015 – one of the lowest in Latin America, and well below the 40-75% average in developed economies. Colombia’s deficit for adequate housing totaled over three million units in 2014. Expanding access to finance for mortgages will help reduce the housing deficit and develop Colombia’s mortgage market. The Project aligns with the Government of Colombia’s efforts to deliver over 101,000 housing solutions in 2017, and will help Colombia achieve U.N. Sustainable Development Goal #11 (Sustainable Cities and Communities).
Environment:	Loans to banks for the purposes of mortgage lending are screened as Category C projects under OPIC’s environmental and social guidelines. Environmental, health, safety and social impact concerns are minimal. The Borrower has developed an Environmental Policy and an Environmental Social Risk Management System. The Borrower will be required to apply OPIC’s Categorical Prohibitions list and list of potentially high risk projects to OPIC supported mortgages.
Social Assessment:	The Project will be required to operate in a manner consistent with the International Finance Corporation’s Performance Standards, OPIC’s Environmental and Social Policy Statement and applicable local laws.  OPIC’s statutorily required language will be supplemented with provisions concerning nondiscrimination and the use of loan proceeds, which will be restricted with respect to the borrower’s

	<p>operations, including the employment of minors and other applicable labor law requirements. Standard and supplemental contract language will be applied to all workers engaged by the Project.</p> <p>This Project involves mortgage lending in Colombia. Davivienda has developed an ESMS that addresses social risk, including labor, commensurate with the risks associated with the its anticipated portfolio. Davivienda will be required to provide evidence of grievance procedures applicable to workers and external stakeholders.</p> <p>This review covers the commensurate human rights risks associated with the capitalization of funds in Colombia.</p>
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