

Public Information Summary

Host Country	India
Name of Borrower	Samunnati Financial Intermediation & Services Private Limited (India)
Project Description	Expansion of the Borrower’s loan portfolio to the food security sector (the “Project”)
Proposed DFC Loan	\$20,000,000
All-Source Funding Total	\$55,000,000
Policy Review	
U.S. Economic Impact	None
Developmental Objectives	<p>The Project is expected to have a highly developmental impact by expanding the Borrower’s micro, small, and medium-enterprise (“MSME”) portfolio, as well as creating jobs in rural communities. MSMEs play a crucial role in the Indian economy accounting for 29.8% of GDP. Yet, MSMEs often cannot access financing to make necessary capital expenditures to grow their business and increase productivity. Over 75% of the Project proceeds will be used to expand the Borrower’s MSME loan portfolio. Furthermore, the Borrower expects that up to 70% of customers will be women. The Project will create over 1,300 jobs to support the expansion of its MSME loan portfolio. The 16 states in which the Borrower operates have an average unemployment rate of 7.5%. The Project will help some of India’s most vulnerable communities by increasing financial inclusion and creating jobs. India’s poverty is a well-documented development challenge. One in five Indians is poor and 80% of India’s poor live in rural areas. The Project will help alleviate poverty by spurring economic growth and creating jobs in rural communities.</p>
Environment and Social Assessment	<p>The Project has been reviewed against the DFC’s 2020 Environmental and Social Policies and Procedures manual (“ESPP”) and has been determined to be categorically eligible. Loans to Financial Intermediaries (“FIs”) for the expansion of lending to micro, small, and medium enterprises are screened as a Category 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 Category C and further review and consent is not required for these investments.</p> <p>To ensure that the Borrower’s investments are consistent with DFC’s statutory and policy requirements, DFC loans made to the Borrower will be subject to conditions regarding the use of proceeds. The primary environmental and social issues identified in this transaction relate to</p>

	<p>the need for an Environmental and Social Policy (“ESP”) that meets the 2012 IFC Performance Standards.</p> <p>Under the ESPP, the Borrower 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.</p> <p>A desk-review based due diligence assessment indicates that because the Borrower will use DFC loans to facilitate the expansion of its lending activities in India, primarily for MSME borrowers in the agricultural value chain; significant adverse impacts concerning community health and safety, biodiversity, land acquisition and resettlement, indigenous peoples, and cultural heritage are not anticipated, and therefore, PS 3, 4, 5, 6, 7, and 8 are not triggered at this time.</p> <p>The Borrower has a basic environmental and social management system (ESMS) that is comprised of grievance mechanisms, environmental and social risk identification and mitigation procedures, and human resources policies commensurate with its investment strategy, but will require some strengthening regarding its environmental and social risk management policies in order to meet the ESPP requirements.</p>
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