Public Information Summary

Host Country	Kenya
Name of Borrower	Brighter Life Kenya 2 Limited
Project Description	The Project will provide funding to purchase accounts receivables of Pay-As-You-Go solar home system and mobile phone customers of D.Light Limited, the Kenyan subsidiary of D.Light Design Inc. The facility will be structured as an innovative off-balance sheet financing by Solar Frontier Capital Limited.
Proposed DFC Loan	$20,000,000 over a four-year term and a two-year interest-only grace period
All-Source Funding Total	$93,000,000
Policy Review	
Developmental Objectives	This Project is expected to have a highly developmental impact on Kenya's electricity and telecommunications sectors through the provision of innovative financing to an off-grid solar and mobile phone provider. According to the World Bank, only 62% of Kenya's rural population has access to electricity compared to 91% of the urban population. The Project is expected to build on an earlier loan that successfully demonstrated the feasibility of the receivables-purchase structure in the solar sector, which is expected to ease D.Light Limited's working capital requirements and benefit rural communities and women. Currently, the country's internet penetration rate is only 27%, and the inclusion of smartphone receivables as part of the expansion enabled by this new loan is expected to increase internet connectivity. The Project is expected to release $20 million to fund new receivables, representing approximately 32,971 new solar home systems and 47,191 mobile phones.
Environment and Social Assessment	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. DFC direct loans to facilitate the acquisition of existing Pay-As-You-Go off-grid solar home system (SHS) accounts are screened as 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 are not required for these investments. To ensure that the Borrower'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. Under the DFC's 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. A desk-based due diligence assessment indicates that because the Project involves DFC support to facilitate the acquisition of existing pay-as-you-go off-grid solar home system (SHS) accounts in Kenya, significant adverse impacts concerning community health and safety, biodiversity, land acquisition and resettlement, indigenous peoples, and cultural heritage are not anticipated. Therefore, PS 3, 4, 5, 6, 7, and 8 are not triggered at this time. The Borrower has an adequate environmental and social management system but will require strengthening related to its supply chain risk assessments to meet DFC's requirements.