

Public Information Summary

Host Country	India
Name of Borrower	Ecozen Solutions Private Limited (India)
Project Description	Local currency guarantee to expand Ecozen’s solar powered pump controllers and off-grid cold storage businesses for farmers, helping them to increase their incomes and reduce emissions.
Proposed DFC Guaranty	\$16,500,000
All-Source Funding Total	\$27,500,000
Policy Review	
Developmental Objectives	The Project is expected to have a positive development impact in India by increasing access to solar-power irrigation systems and on-farm cold storage for smallholder farmers, and by reducing food waste. More specifically, the Project will reduce post-harvest losses, which cost an estimated \$15 billion annually in India, by extending the shelf life of horticulture products and linking farmers to farther markets. In addition, the Project will generate renewable energy and reduce reliance on diesel-powered irrigation pumps.
Environment and Social Assessment	<p>SCREENING: The Project has been reviewed against DFC’s 2020 Environmental and Social Policy and Procedures (“DFC ESPP”) and has been determined to be categorically eligible. The Project was screened as a Category B under DFC’s ESPP because assembly, installation, and customer service of solar-powered pump controllers and solar-based cold storage equipment have a limited number of specific environmental and social impacts that are site-specific and can be mitigated to acceptable levels by following international standards.</p> <p>APPLICABLE STANDARDS: Under DFC’s ESPP, the Borrower is required to comply with applicable local and national laws and regulations related to environmental and social performance. DFC’s environmental due diligence indicates that the investment will have impacts that must be managed in a manner consistent with the following International Finance Corporation’s (IFC) 2012 Performance Standards (PS):</p> <ul style="list-style-type: none"> • PS 1: Assessment and Management of Environmental and Social Risks and Impacts; • PS 2: Labor and Working Conditions; • PS 3: Pollution Prevention and Abatement; and • PS 4: Community Health, Safety, and Security.

A desk-review-based due diligence assessment indicates that the manufacturing facility and offices are located in urban areas, and the Borrower leases these buildings as well as all storage centers. The products the company will install will be mainly on the agricultural lands of small farmers. Therefore, PS 6, will not be triggered by the Project at this time. Significant adverse impacts with respect to land acquisition and resettlement, indigenous peoples, and cultural heritage are not anticipated; therefore, PS 5, 7, and 8 are also not triggered at this time. Under DFC's ESPP, the Project is required to comply with applicable national laws and regulations related to environmental and social performance.

In addition to the above standards, the Project will also be required to meet applicable provisions of the IFC's Environmental, Health, and Safety (EHS) General Guidelines.

Environmental and Social Risks and Mitigation Measures:

The primary environmental and social issues associated with this Project include the need for a robust environmental and social management system, strong labor management system; adequate oversight and management of contractors; the appropriate handling of solid and hazardous waste management (including broken equipment, solar panels, batteries, and electronic wastes), generated by the manufacturing, assembling, and installation processes; as well as assurances that appropriate measures are in place to assure worker health and safety. DFC will require the Borrower to develop an Environmental and Social Management that includes risk assessment procedures and mitigation plans that cover all operations and business activities.

The Borrower has in place a labor management system for its workers, including employment agreements, a workplace grievance mechanism, and human resources policies. DFC will require the Borrower to update its Prevention of Sexual Harassment policy to be gender neutral. The Borrower will also be required to provide a contractor management plan that identifies how it will manage and monitor contractors' compliance with labor law and IFC Performance Standard 2 and to provide documentation to demonstrate that all contracted workers have access to a grievance mechanism. In addition, the Borrower will be required to update its grievance mechanism policy to apply to all Project operations and to identify the individuals who are responsible for implementation.