

 Early Warning System

DFC-2024-AVAANASUSTAINA

Avaana Sustainability Fund



Quick Facts

Countries	India
Financial Institutions	US International Development Finance Corporation (DFC)
Status	Approved
Bank Risk Rating	B
Borrower	Avaana Capital Advisors LLP
Sectors	Agriculture and Forestry, Energy, Finance, Infrastructure, Transport
Investment Type(s)	Equity
Investment Amount (USD)	\$ 10.00 million
Loan Amount (USD)	\$ 10.00 million
Project Cost (USD)	\$ 130.00 million



Project Description

As stated by the DFC, Avaana Sustainability Fund is a \$130 million venture fund that invests in technology-based companies that enable climate solutions and sustainability. The Fund invests in startups in the following sectors:

- (1) energy and resource management;
- (2) e-mobility and related supply chains; and
- (3) sustainable agriculture value chain and responsible consumption.

As 300 million Indians join the middle class in the next couple of years, it is estimated that India will account for 10% of global greenhouse gas emissions by 2030. In effort to mitigate its climate impact, the Government of India has an aggressive plan to nearly triple its renewable energy capacity over the next six years. The success of this effort will require the advancement of technologies that facilitate its uptake along with other sustainable practices.

In response to this challenge, the Fund seeks to have a positive development impact in India by providing much needed capital to innovative early-stage companies that use new and existing technologies to address climate change. The Fund plans to invest in concepts that address inefficiencies in high carbon-emitting activities in the region, including energy and resource management, mobility and supply chains, and food and consumption. As a venture-builder, the Fund Manager works alongside entrepreneurs to develop their business model, launch products, and build and scale operations. As part of its strategy, the Fund Manager will seek to acquire minority positions in the Fund's portfolio companies and accompany each start-up through its growth stages from Series A/B through to public offering, acquisition, or sale of shares to a later stage investor.



Early Warning System Project Analysis

As stated in the project disclosure document, DFC direct investments into investment funds that will subsequently support both SMEs and mid-cap companies are classified as a Financial Intermediary - B (FI-B) activity for the purposes of environmental and social assessment. Based on DFC's due diligence, the Fund's downstream investments are anticipated to pose environmental and social risks that are site specific and can be readily mitigated through the application of sound environmental and social management practices.



Investment Description

- US International Development Finance Corporation (DFC)

Financial Intermediary

Financial Intermediary: A commercial bank or financial institution that receives funds from a development bank. A financial intermediary then lends these funds to their clients (private actors) in the form of loans, bonds, guarantees and equity shares. Financial intermediaries include insurance, pension and equity funds. The direct financial relationship is between the development bank and the financial intermediary.

- [Avaana Capital Advisors LLP](#) (Financial Intermediary)



Private Actors Description

As stated by Bloomberg, Avaana Capital Advisors LLP operates as a venture capital firm. The Company invests in early stage startup companies and provides capital to entrepreneurs. Avaana Capital Advisors serves clients in India.



Contact Information

ACCESS TO INFORMATION

Unlike many other development finance institutions, DFC does not currently have an access to information policy.

Under the United States Freedom of Information Act (FOIA), DFC is obliged to respond to reasonably formulated requests for Agency records. However, DFC may apply exemptions from release to certain types of information and may charge fees in responding to requests. DFC has a designated FOIA officer who is trained in how to respond to requests and implement the law. You can learn more about filing a FOIA request at: <https://www.dfc.gov/foia>

ACCOUNTABILITY MECHANISM OF THE UNITED STATES INTERNATIONAL DEVELOPMENT FINANCE CORPORATION (DFC)

The Office of Accountability is an independent office that addresses complaints about environmental or social issues related to DFC-supported projects. The office provides communities an opportunity to have concerns independently reviewed and addressed. If you submit a complaint to the Office of Accountability, it may assist you by either seeking to address your problems by facilitating a problem solving dialogue between you and those implementing the project and/or investigating whether the DFC complied with its policies to prevent environmental, social, human rights, and labor harms.

You can find more information about the Office of Accountability at: <https://www.dfc.gov/who-we-are/office-accountability>



Bank Documents

- [Project Disclosure](#) [\[Original Source\]](#)