

Information Summary for the Public

Host Countries:	Target countries: Kenya, Uganda, Ghana, Tanzania, Rwanda, Nigeria, Burkina Faso, Cote d'Ivoire, Senegal, Zambia, Zimbabwe, India, Pakistan, and Cambodia
Name of Borrower:	SIMA Off-Grid Solar and Financial Access Senior Debt Fund 1 B.V., a Netherlands <i>Besloten Vennootschap</i> (the “ Fund ”)
Sponsor:	Social Investment Managers & Advisors, LLC, a Delaware limited liability corporation, (“ SIMA ” or the “ Fund Manager ”)
Project Description:	Energy and financial access represent two significant but underdeveloped markets that continue to hold back low-income households from improving their economic and health status. Over 1.2 billion people lack electricity in Sub-Saharan Africa and Asia and instead rely on kerosene as a primary source of lighting and energy. Off-grid solar product offerings are a promising alternative to kerosene, as they are cleaner, safer, brighter, more reliable, and ultimately cheaper. Sales of off-grid solar lighting and home energy solutions is growing rapidly in developing countries. However, the off-grid solar industry lacks access to sector-specific financing to support its growth, which is a key impediment to reaching scale in the developing world. In response to this need, SIMA has launched the Fund, which provides financing for the provision of clean energy and financial inclusion products to low income customers in Sub-Saharan Africa and South Asia. OPIC will participate as an anchor investor to the Fund. SIMA estimates that the Fund will provide 1.25 million individuals with access to off-grid solar energy while eliminating 4.6 million tons of CO2 emissions.
Proposed OPIC Loans:	\$15,000,000 Super Senior Loan and \$5,000,000 Senior Loan, both maturing on October 9, 2021
Term of Fund:	4 years
Selection Process:	SIMA applied to OPIC under the Innovative Financial Intermediaries Program (“ IFIP ”). IFIP was created in 2013 to support financial intermediaries investing in OPIC-eligible countries through pooled investment vehicles containing elements typical of both of OPIC’s direct finance and investment funds programs, but that did not fit squarely within either investment funds or finance processes. Proposals are batched and reviewed quarterly with the assistance of an independent consultant. The Fund’s proposal was reviewed by the IFIP Screening Committee in May 2018, by the IFIP Evaluation Committee on February 5, 2019, and by the OPIC Investment Committee on February 13, 2019.
Policy Review	
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

	<p>Project, and therefore the Project is expected to have a neutral impact on U.S. employment. The Project is expected to have a neutral five-year U.S. trade balance impact.</p>
<p>Developmental Effects:</p>	<p>This Project will increase financing to off-grid solar power companies and microfinance institutions in Sub-Saharan Africa and South Asia in order to meet their liquidity needs to provide solar energy products to low-income clients. Globally, an estimated 1.2 billion people lack access to reliable and affordable energy, and from the total populations of the target countries, less than half have access to power, according to the World Bank. The off-grid solar sector has grown rapidly in recent years and is expected to provide improved energy access to 740 million people by 2022, compared to 360 million served today. This Project is expected to serve 1.25 million individuals, whom live in rural areas, where off-grid solutions offer the only opportunity for electricity. In addition, many of these borrowers utilize such systems to not only power their homes, but also to sell recharging services. There will also be a technical services program designed to focus on the customer service needs of downstream clients.</p>
<p>Environment and Social Assessment:</p>	<p>The Project has been reviewed against OPIC’s categorical prohibitions and has been determined to be categorically eligible. Loans to financial institutions for the purposes of providing loans to microfinance institutions and SMEs are screened as Category C projects under OPIC’s environmental and social guidelines. The environmental, health, safety, and social impacts of the Project are considered minimal. However, to ensure that the Borrower’s loans and leases are consistent with OPIC’s statutory and Policy requirements, the loan will be subject to conditions regarding the use of proceeds and OPIC’s statutorily required language regarding working conditions will be applied.</p> <p>The primary environmental and social issues associated with the Project include the need for a robust Environmental and Social Management System (“ESMS”) to ensure that downstream investments are developed in accordance with the applicable 2012 IFC Performance Standards, employee health and safety policies, and adequate human resources policies and procedures.</p> <p>The Fund has an Environmental, Social and Governance Management System Manual (the “ESG Policy”), which guides the environmental and social management of the Fund and its portfolio and is commensurate to the risks associated with the Project. The ESG Policy commits the Fund to abide by local</p>

	<p>laws, regulations, and adhere to the 2012 IFC Performance Standards along with the FMO Sustainability Policy.</p> <p>The ESG Policy states that the Fund will not invest in any company that participates in the activities with Category A Environmental and Social Impacts (per IFC classifications). The Fund utilizes a methodical approach to risk classification and screening that mirrors the IFC's A, B, and C, categorization scheme. The Fund also utilizes outside ESG consultants when they lack expertise, experience, or general understanding of the complexity of a project or investment.</p> <p>The Fund has multiple policies and procedures to guide it to make sound social and sustainable environmental investment decisions. The Fund has an Environmental and Social Governance Policy and general human resources policies. The Fund has also contracted a third-party consultant who the Fund represents has extensive experience applying and implementing IFC requirements and standards, performing ESG Audits, and advising companies, investors, and governments on ESG standards and compliance. This consultant has been hired to assist the Fund to create a more robust ESMS and risk screening procedures to ensure they are meeting the expectations as expressed in the IFC Performance Standards. The updated ESMS will be submitted to OPIC.</p> <p>This review covers the commensurate human rights risks associated with off-grid solar products.</p>
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