

Public Information Summary

Host Country	India
Name of Borrower	CreditAccess Grameen Limited (CAGL)
Project Description	The subject loan will allow CAGL to expand its microfinance portfolio serving women at the bottom of the pyramid in predominantly rural India.
Proposed DFC Loan/Guaranty	\$35 million
All-Source Funding Total	\$46.7 million
Policy Review	
Developmental Objectives	<p>This Project is expected to have a highly developmental impact by expanding the availability of microfinance lending to women in India, as well as providing more expansive financial products to its micro-clients, which graduate to SMEs and have increased financing needs. The Project will support microfinance lending to a projected 9.6 million individuals, who are all women and mostly low-income and rural individuals. The microfinance lending gap in India is estimated at \$9 billion, while the gap for women microenterprises is estimated at \$567 million. This Project aligns with the Government of India’s National Mission for Financial Inclusion and the RBI’s National Strategy for Financial Inclusion, which envision comprehensive financial inclusion for the nation's poor, underbanked and unbanked.</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 for the purposes of MSME lending are screened as Category C projects for the purpose of environmental and social assessment in accordance with DFC’s ESPP. These downstream investments are expected to result in minimal adverse environmental and social impacts. Therefore, all of 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 CAGL 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.</p>

	<p>Under the DFC’s ESPP, CAGL 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-review based due diligence assessment indicates that because the Project will use DFC support for MSME lending in India, significant adverse impacts concerning community health and safety, biodiversity, land acquisition and resettlement, indigenous people, and cultural heritage are not anticipated; therefore, PS 3, 5, 6, 7, and 8 are not triggered at this time. CAGL does utilize unarmed security guards and therefore, aspects of PS 4; Community Health, Safety and Security are triggered.</p> <p>CAGL has an Environmental and Social Risk Policy, grievance mechanisms, and human resources policies commensurate with its investment strategy but will require some strengthening regarding its Human Resources policies in order to meet the DFC’s 2020 Environmental Policy and Procedures.</p>
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