

INFORMATION SUMMARY FOR THE PUBLIC

Host Country:	OPIC-eligible countries in East Africa.
Name of Borrower:	d.light design
Project Description:	<p>d.light is a global solar energy company delivering affordable solar lighting and power solutions for households and small businesses, through single function, multifunction, and power system products. d.light’s products are designed to meet the needs of the two billion people in the developing world without access to reliable energy. d.light has sold over 10 million solar light and power products in 62 countries. Based on d.light’s analysis this has improved the lives of 50 million people.</p> <p>The OPIC loan will be used for the expansion of operations, including funding product development, expansion of the distribution network, and inventory working capital</p>
Proposed OPIC Loan:	\$5 million
Total Project Costs:	\$20 million
U.S. Sponsors:	US ownership of 55.1% consisting of (a) Omidyar Network LLC, (b) Acumen Fund, (c) Garage Technology Ventures, (d) Gray Matters Capital, (e) Ned Tozun, and (f) Sam Goldman
Foreign Sponsors:	Consisting of (a) NewQuest Capital (b) Mahindra Overseas Investment Company (c) Nexus India Capital
Policy Review	
U.S. Economic Impact:	The Project is not expected to have a negative impact on the U.S. economy. The Project is expected to have a neutral impact on U.S. employment. The Project is expected to have a negative five-year U.S. balance of payments impact.
Developmental Effects:	This Project is expected to have a highly developmental impact on East Africa by providing rural off-grid homes access to clean and reliable electricity. Access to electricity in rural regions of the Project Countries averages 7 percent, compared with 17 percent in Sub-Saharan Africa and 70 percent worldwide. The Project complements target one of Sustainable Development Goal Seven, which aims to “ensure universal access to affordable, reliable and modern energy services.” The Project is also expected to create over 250 new job opportunities in East Africa.
Environment:	SCREENING: This Project has been reviewed against OPIC’s categorical prohibitions and determined to be categorically eligible. Projects involving manufacture, sale and distribution of solar lanterns and solar-home systems are screened as Category B under OPIC’s environmental and social guidelines because impacts are site specific and readily mitigated. The major environmental and social issues associated with the Project include implementing occupational health and safety policies and

appropriate waste management (disposal of batteries and panels at the end of their useful life).

APPLICABLE STANDARDS: OPIC's environmental and social due diligence indicates that the Project will have impacts that must be managed in a manner consistent with the following Performance Standards:

PS 1: Assessment and Management of Environmental and Social Risks and Impacts;

PS 2: Labor and Working Conditions;

PS 3: Resource Efficiency and Pollution Prevention; and

PS 4: Community Health, Safety and Security.

Because the Project involves manufacture, sale and distribution of solar lanterns and solar-home systems and does not involve any new construction, potential impacts with respect to land acquisition and resettlement, biodiversity, indigenous peoples and cultural heritage are not anticipated at this time. Therefore, PS 5 through 8 are not triggered at this time.

In accordance with PS 3, the International Finance Corporation (IFC) Environmental, Health, and Safety General Guidelines (2007) are applicable to this Project.

Environmental and Social Risks and Mitigation: The Project involves sale and distribution of solar lanterns and solar home systems for installation on existing rooftops. The Project does not involve any construction. Environmental and social impacts are expected to be minimal and no environmental impact assessment is required.

d.light does not directly own and operate the factories and distribution centers in which the solar lanterns and other products are manufactured. These activities are conducted by Contract Manufacturers. The Contract Manufacturers are selected after going through a qualification process to ensure d.light's suppliers follow sound environmental, social, health, safety and labor practices. d.light has a supply chain monitoring checklist which it applies to its suppliers during the supplier qualification process and audits.

d.light has a procedure for customer service (community grievance mechanism). Complaints are done by phone, in-person visits or email. d.light aims to resolve complaints within 7 to 15 working days, depending on the nature of the complaint.

	<p>d.light represents that they have an Occupational Health and Safety policy for its workers, including those that work at the distribution warehouses. d.light ensures that all of its warehouses have fire extinguishers and workers are trained on fire safety procedures; have emergency exits, conduct emergency preparedness drills (for example in case of earthquake); have first aid kits; are well-maintained and clean; and have adequate lighting and ventilation.</p> <p>With respect to battery and panel disposal, d.light is working with certified e-waste handlers in Kenya and India to safely dispose of those units that are returned to the suppliers. OPIC will require that the Borrower provide a recycling plan acceptable to OPIC to incentivize its customers to return defective solar kits.</p>
Workers Rights:	<p>The Project will be required to operate in a manner consistent with the International Finance Corporation's (IFC) Performance Standard 2 on Labor and Working Conditions, OPIC's Environmental and Social Policy Statement, and applicable local labor laws.</p> <p>OPIC's statutorily required language will be supplemented with provisions concerning the rights of association, organization and collective bargaining, minimum age of employment, prohibition against the use of forced labor, non-discrimination, hours of work, the timely payment of wages, and hazardous working conditions. Standard and supplemental contract language will be applied to all workers of the Project, including contracted workers.</p> <p>The Project's labor management system, including human resources policies and supplier policies and audits, has been evaluated against the IFC Performance Standards and OPIC's Environmental and Social Policy Statement (ESPS). OPIC will require the Project to develop and implement a worker-specific grievance mechanism, an underage labor policy, and a formalized supplier code of conduct policy, to be in alignment with the requirements of IFC Performance Standard 2, OPIC's ESPS, and local labor law.</p> <p>OPIC issued a human rights clearance for this Project on September 15, 2016.</p>
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