

INFORMATION SUMMARY FOR THE PUBLIC

Host Countries:	India
U.S. Sponsor/Lender:	Calvert Foundation
Name of Borrower:	Thirumeni Finance Private Limited (“Varthana” or the “Company”)
Project Description:	<p>The Company is a Bangalore-based non-bank finance company that provides debt financing to private schools in India, which in turn provide affordable education to low-income populations whose needs are not currently met by the public education system. Varthana serves the missing middle of affordable school finance by providing schools with project and infrastructure loans that are larger than what microfinance institutions can currently provide and more affordable than what informal money lenders charge.</p> <p>Varthana lends to schools with enrollment levels between 400 and 1,000 students and with monthly fees of 300 to 800 INR (5-14 USD) per student, which help expand the availability of affordable education. Such education is currently severely lacking, and the Indian public school system is currently unable to adequately serve the needs of the estimated 387 million children under the age of 14.</p> <p>OPIC will provide an investment guaranty to the Calvert Foundation to enable it to lend \$8,000,000 to Varthana. The guaranty will provide currently inaccessible early-stage debt financing to private schools offering high-quality, affordable education to low-income populations. This in turn is expected to have positive impact on job creation and economic growth in addition to poverty alleviation through the provision of education.</p>
Proposed OPIC Guaranty:	\$5,000,000 (up to 5 years)
Total Project Costs:	\$8,000,000
Other U.S. Sponsors:	ACCION, Elevar Equity, Omidyar Network
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 Project, and the Project is expected to have a neutral impact on U.S. employment. The Project is expected to have a positive five-year U.S. balance of payments impact.
Developmental Effects:	This Project will have a positive developmental impact by expanding supporting growth of private schools in India that cater to low-and middle-income youth. The Project provides flexible loans to fund new classrooms, IT equipment,

	<p>bathrooms for girls, teaching training, and other learning materials. Through this expansion, the Project Company aims to increase access and improve the quality of education for two million students in 4,000 schools by 2016. In India, the primary school enrollment rate stands at 83 percent, while secondary school enrollment rates are only 54 percent.¹ Indian schools are also struggling to meet the material needs of their students; 37 percent of schools do not have toilet facilities, and 44 percent do not have separate facilities for girls.² In addition to helping to relieve financing constraints faced by Indian private schools, the Project Company also will provide technical assistance to schools. This assistance includes evaluating and recommending improvements as well as references for high-quality service providers for English and science instruction.</p>
Environment:	<p>Projects involving loans to educational institutions are screened as Category C projects under OPIC’s environmental and social guidelines. Environmental, health, safety and social impacts are minimal. The Borrower will be required to develop and implement an ESMS ensuring its borrowers social and environmental practices comply with the IFC Performance Standards. In order to ensure that the Borrower’s loans are consistent with OPIC’s statutory and policy requirements, proceeds of the OPIC loan will be subject to conditions regarding the use of proceeds.</p>
Workers Rights:	<p>OPIC’s statutorily required standard worker rights language will be supplemented with provisions concerning the right of association, organization and collective bargaining. Loans to SME borrowers will be restricted with respect to the SME borrowers’ operations, including the employment of minors and other applicable labor law requirements. The project will also be required to operate in a manner consistent with the requirements of the International Finance Corporation’s Performance Standard 2 on Labor and Working Conditions. Standard and supplemental contract language will be applied to all workers of the Project.</p>
Human Rights:	<p>OPIC issued a human rights clearance for the project on July 28, 2015.</p>

¹ <http://data.unicef.org/countries/IND>

² <http://www.norrag.org/es/publications/boletin-norrag/online-version/a-world-of-reports-a-critical-review-of-global-development-reports-with-an-angle-on-education-and-training/detail/india-ranked-at-105-in-the-education-for-all-development-index.html>