



Project Summary Information

Date of Document: Sep 24, 2020	
Project Name	HDFC Line of Credit for Affordable Housing
Project Number	P000300
AIIB member	India
Sector/Subsector	Financial Intermediary
Status of Financing	Approved
Project Description	The Project is supported by a line of credit to Housing Development Finance Corporation Limited (HDFC) to finance (i) the acquisition/construction of individual affordable housing units and (ii) sub-projects comprising multiple affordable housing units.
Objective	The project objective is to increase access to affordable housing to households in India by providing long term financing support.
Expected Results	Number of households provided sub-loans for affordable housing units (% of households with women as borrowers). Private capital mobilization.
Environmental and Social Category	FI
Environmental and Social Information	<p>AIIB's Environmental and Social Policy (ESP), including the Environmental and Social Exclusion List (ESEL), applies to this Project. The Project has been placed in Category FI and is expected to have limited adverse environmental and social (ES) impacts which are reversible and successfully managed using known good practice measures.</p> <p>The loan to HDFC will be used only for on-lending to individuals and to private developers for the development, construction, or acquisition of low-cost affordable housing sub-projects in urban and semi-urban areas. HDFC individual on-lending is expected to be in the form of mortgage loans to individuals; no land acquisition or physical or economic displacement is expected under these individual housing loans, as they are expected to be provided to individuals who have purchased the property with a mortgage or are voluntarily making improvements to their dwellings.</p>

	<p>On-lending to private developers will require screening and ES risk assessment of sub-projects, in accordance with HDFC's Environmental and Social Management System (ESMS), described below.</p> <p>As a result of its long-standing involvement with multilateral development banks, including IFC and ADB, HDFC has adopted a Policy for Responsible Lending and Environmental and Social Risks (Policy), which is integrated into its appraisal process and will be applied to its on-lending to developers under the Project. The Policy includes a section on Exclusion Criteria and outlines the process for screening, conducting due diligence, and monitoring the environmental and social (ES) risks and impacts of the activities to be financed. HDFC will apply AIIB's Environmental and Social Exclusion List (ESEL) to the Project and will exclude from the Project certain high risk activities, including Category A activities and activities involving: (i) significant involuntary resettlement (e.g., slum upgrade rehabilitation); (ii) risk of adverse impacts on Indigenous Peoples; (iii) significant risks to or impact on the environment, community health and safety, biodiversity, or cultural heritage; or (iv) significant occupational health and safety risks. Any activities requiring the preparation of a Resettlement Plan will require prior review of AIIB until HDFC demonstrates to AIIB's satisfaction that it has adequate capacity to assess and review risks and impacts arising from involuntary resettlement activities. In addition, HDFC requires its borrowers to comply with applicable national laws and regulations</p> <p>HDFC's ES management system for the Project, as well as its capacity to identify, assess, manage and monitor ES risks and impacts are appropriate for the activities to be financed under the Project.</p> <p>HDFC has an existing complaints management system open to all its stakeholders which can be accessed via its website¹, email and social media. It also has a management information system which analyzes the complaints to provide feedback relating to possible process and policy improvements. HDFC will monitor and report on AIIB-financed portfolio annually. AIIB will supervise HDFC activities on a regular basis, including site visits to selected affordable housing sub-projects as needed.</p>
Cost and Financing Plan	<p>AIIB Loan: up to USD 200 million</p> <p>Potential Mobilization: up to USD 300 million</p>
Borrower	Housing Development Finance Corporation Limited

¹ HDFC Website: <https://www.hdfc.com/grievance-redressal>

Estimated date of last disbursement (NSBF)	December 2020		
Contact Points:	AIIB		Borrower
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Date of Concept Decision	February/2020		
Date of Final Review	July/2020		
Date of Financing Approval/Estimated Date of Financing Approval	September/2020		

Independent Accountability Mechanism	<p>The Project-affected Peoples Mechanism (PPM) applies to this Project. The PPM has been established by the AIIB to provide an opportunity for an independent and impartial review of submissions from Project-affected people who believe they have been or are likely to be adversely affected by AIIB's failure to implement its ESP in situations when their concerns cannot be addressed satisfactorily through the Project's complaints management system or the processes of AIIB's Management. Information on AIIB's PPM is available at: https://www.aiib.org/en/policies-strategies/operational-policies/policyon-the-project-affected-mechanism.html.</p>
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