Engaging the Indian American Diaspora for Development

www.calvertfoundation.org/india

The Indian Diaspora Investment Initiative represents an innovative collaboration between Calvert Foundation, USAID and social enterprise investors in India that will leverage the U.S.-based Indian American diaspora to fund sustainable development across India.

The Initiative will respond to an identified need for capital in India to grow and scale social enterprises: businesses that reduce poverty and benefit society on a multitude of levels. It will do this by mobilizing at least $50 million USD from private sector financial institutions in India and abroad over the next year and a half, including Calvert Foundation and the Indian American diaspora. USAID will provide a Development Credit Guarantee to support Indian financial institutions lending to social enterprises, enabling them to raise critical investments from investors.

Calvert Foundation will play a unique role in this initiative by providing the Indian American diaspora with a way to invest into the social enterprise sector in India with ease and transparency. Through the purchase of a specially marketed and branded Calvert Foundation Community Investment Note (the “Note”) which will be released later in 2015, Indian Americans and other investors will be able to fund the growth of social enterprises in India while earning a financial and social return. The Note is an established security with a 20 year track record of success. Investors can expect fixed interest payments every six months, and can select investment tenors from 1, 3, 5, 7 and even 10 years.

Overview

The Indian American diaspora community represents a powerful engine for growing and strengthening both economic and social ties between the U.S. and India. U.S. residents of Indian descent or affiliation have increasingly emerged as a political, social and economic presence with passionate interests in both of their homelands. And while many use their assets to invest in India through real estate,
remittances or traditional investment funds, there are few avenues to invest in Indian companies that generate both a social and a financial return.

In creating the opportunity to invest into India’s social enterprise sector through the Note, Calvert Foundation hopes to empower Indian Americans to fuel the growth of social businesses in India whether they have $20 or $2 million to invest. The Initiative not only represents an opportunity to increase the flow of capital to the Indian economy, but an opportunity to create new pathways for civic engagement and stronger ties between the U.S. and India.

**How It Will Work**

1. Investors purchase Calvert Foundation Community Investment Note

2. Calvert Foundation makes loans to Indian financial institutions and investment funds investing in social enterprises in India

3. Indian investment funds finance healthcare, small businesses, education, agriculture and more for underserved populations in India, while USAID provides a guarantee to support the performance of these loans

4. Empowered social businesses pay back their loans & investors are returned principal plus interest