

A GUIDE TO PARTNERING WITH
**U.S. INTERNATIONAL
DEVELOPMENT
FINANCE CORPORATION**



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United States International Development Finance Corporation (DFC), U.S. Government's development finance institution, partners with the private sector to mobilize investment to projects that will improve lives and create jobs, opportunity, and economic growth in developing countries.

Our Mission

Working with private businesses and investors, DFC finances solutions to the most critical challenges facing the developing world today, from climate change to COVID-19, energy poverty, and food insecurity. DFC supports investments in projects such as building hospitals, constructing power plants, bolstering vaccine manufacturing capacity, and expanding access to microfinance lending.

DFC is committed to investing in low-income countries and in projects that support marginalized populations including women, indigenous communities, refugees, and other displaced people.

Our Private Sector Partners

DFC partners with both U.S. and overseas businesses across a wide range of sectors. While we encourage U.S. business participation in the projects we support, we also actively seek to partner with local businesses in the host countries where we work, so that those businesses may directly benefit as they participate in the growth of their economies.

DFC requires that all projects we support adhere to high standards that respect the environment, local communities, and worker rights. Additionally, DFC requires that all projects document a successful track record in their industry.



Active Portfolio

\$31+ Billion



Total Projects

1,000+



Investment Capacity

\$60 Billion



Project Support

\$1 Million TO \$1 Billion



Active in

108 Countries

Benefits of Investing in Emerging Markets

Developing countries face a variety of persistent and emerging challenges, from food insecurity to COVID-19. Because these challenges can require large investments of time and money as well as innovative solutions, private businesses are often best equipped to address them. And because many of the world's most urgent challenges transcend borders, they require global solutions that reach the underserved markets of the developing world.

DFC recognizes that developing countries also offer significant opportunities for investors:

Access to Rapidly Growing Markets

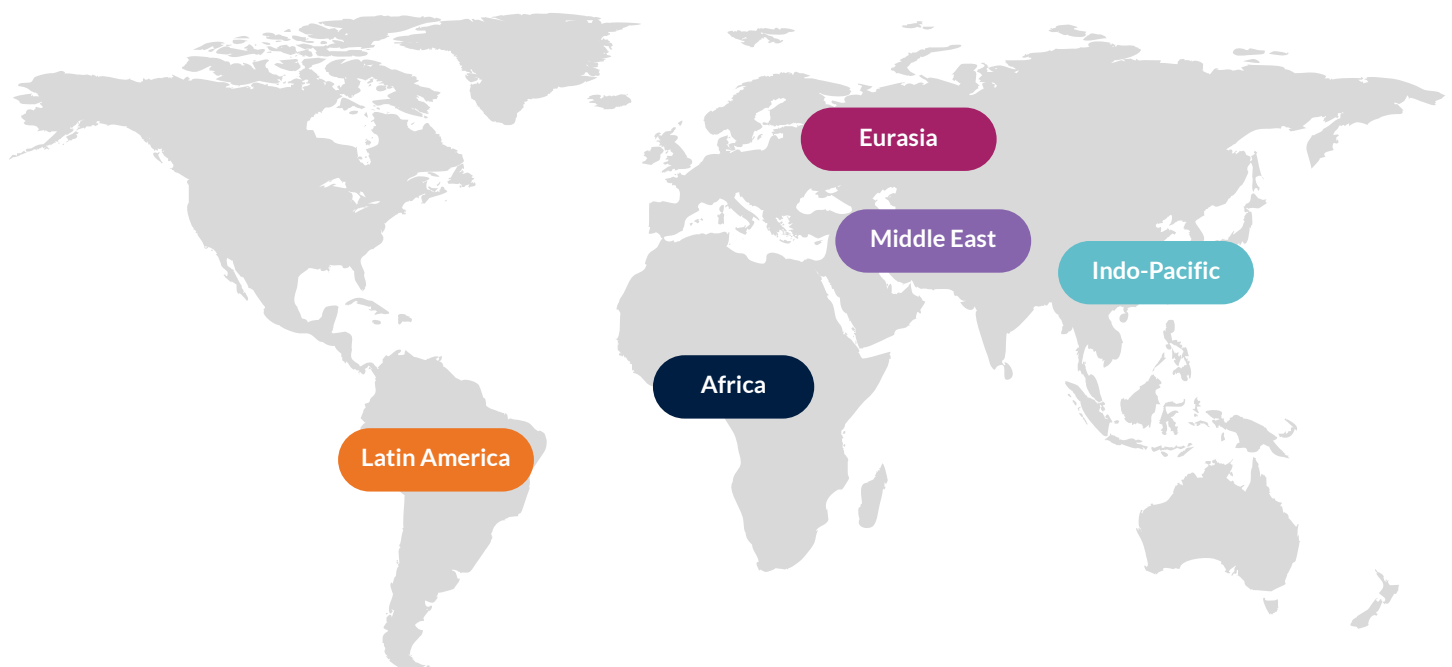
Most of the world's fastest-growing populations are countries in the developing world.

Strong Demand for New Products and Services

Growing urban and middle-class populations create demand for modern infrastructure, technology, and other services.

Need for Innovation

With limited legacy systems, leapfrog technologies such as off-grid electricity and other innovations can often be rapidly adopted.



DFC has active projects in **108 countries around the world.**

For a full list of countries where DFC supports development, visit the [Where We Work](#) page of our website.

DFC Products: What We Offer

Structured Finance

- Loans and guaranties over \$50 million up to \$1 billion with tenors of up to 25 years, as well as transactions of any size in the energy, natural resources, mining, chemicals, transportation, and water sectors
- Support for development of critical infrastructure, energy, and other projects requiring large investments of time and money

Development Credit

- Loans and guaranties of up to \$50 million with tenors of up to 25 years
- Support for a range of projects in agriculture, healthcare, technology, education, small business financing, and affordable housing

Portfolio for Impact and Innovation

- A program to support early-stage social enterprises that have developed innovative solutions to challenges facing the developing world
- Financing of up to \$10 million in promising early-stage businesses that might otherwise struggle to access financing due to their relative size, short track record, and novel approaches

Equity Investments

- Direct equity investments, typically ranging from \$10 million to \$25 million, in businesses or projects that have a strong developmental impact or advance U.S. foreign policy
- A flexible source of financing for early-stage and growth-stage companies that may not be ready to take on debt

Feasibility Studies and Technical Assistance

- Grants to accelerate project identification and preparation
- Support to help increase the developmental impact or the commercial sustainability of early-stage projects

Investment Funds

- Debt and equity investment in emerging market private equity funds to address the shortfall of investment capital in developing countries
- Long-term growth capital to support economic development

Political Risk Insurance

- Coverage of up to \$1 billion against losses due to currency inconvertibility, government interference, and political violence including terrorism
- Reinsurance to increase underwriting capacity

DFC PARTNER SNAPSHOT

Parsyl

DFC financing is helping Parsyl Inc. of Denver address the challenges of distributing vaccines to some of the most remote locations around the world. Parsyl is establishing a new insurance provider to mitigate the risks of transporting health products, including COVID-19 vaccines, as well as therapeutics, equipment, and related supplies, to many lower-income countries where delivery is particularly challenging. By helping to mitigate these transport and storage risks, this new insurance facility is expected to increase shipments of vaccines around the world, including many hard-to-reach, last-mile locations in developing countries.

Types of Political Risk Insurance

Currency Inconvertibility

Protects against potential host country government acts that could impact the conversion and transfer of earnings, returns of capital, principal and interest payments, technical assistance fees, and similar remittances

Expropriation

Protects against expropriation and other forms of unlawful interference by the host government that deprive investors of their fundamental rights in a project such as nationalization, confiscation, creeping expropriation, abrogation or forced renegotiation of contract terms, imposition of confiscatory taxes, or confiscation of funds or assets

Bid, Performance, Advance Payment, and Other Guaranty Coverages

Protects U.S. exporters and contractors against the risk of a wrongful calling that is not justified by the terms of the contract

Political Violence

Protects against loss of assets or income caused by war, hostile actions, revolution, insurrection, civil strife, terrorism, and sabotage

Reinsurance

DFC can reinsure licensed U.S. and international insurance companies to increase underwriting capacity and support development in countries where investors have difficulty obtaining political risk insurance

Breach of Contract for Capital Markets

Supports U.S. capital market financing structures that catalyze private capital in emerging markets

DFC PARTNER SNAPSHOT

Tridi Oasis

A DFC credit guaranty is supporting financing to Tridi Oasis, a Jakarta, Indonesia, small business that is working to reduce ocean waste by recycling used plastic bottles into packaging materials and textiles. Tridi Oasis is the first investment supported through DFC's credit guaranty to impact investor Circulate Capital, which provides financing to small businesses working to prevent ocean plastic pollution.

DFC Investment Priorities

Climate

To support U.S. initiatives to address climate change, DFC has committed to focusing one-third of new investments on climate by 2023 and achieving net-zero emissions across its portfolio by 2040. DFC supports investments in renewable energy and other projects that help developing countries adapt to and mitigate the effects of climate change.

COVID-19

COVID-19 has exposed weaknesses in health systems in developing countries and created a major need for expanded vaccine production around the world. DFC invests in projects that expand vaccine manufacturing; increase access to vaccines, therapeutics, and medical equipment to address the current pandemic; and bolster preparedness for future health crises.

Gender Equity

DFC's 2X Women's Initiative supports projects that are owned by or led by women or that offer a product or service that empowers women. The initiative, which has mobilized \$7 billion to date, has committed to mobilizing an additional \$12 billion by 2025. DFC also supports its work in gender equity by applying a gender lens to all the projects it screens to ensure that women will benefit.

Inclusive Growth

DFC is committed to delivering benefits to the people most in need by focusing investments in low- and lower-middle-income countries. DFC is also committed to delivering benefits to marginalized communities in developing countries, including indigenous groups, migrants, and those impacted by climate change or conflict.

Internet, Connectivity, and Technology (ICT)

DFC has a strong focus on expanding access to affordable technology in developing countries. We support projects that bring internet service to underserved communities; build towers, fiber, subsea cables, and data centers; and invest in innovations that will advance critical services including telemedicine, fintech, and online learning.

Although these are DFC's core investment priorities, DFC supports projects across a range of sectors. We welcome opportunities to work with any private-sector partners committed to financing solutions to critical challenges in the developing world. For more information about the investments we support, visit the [Active Projects Database](#) on DFC.gov.

DFC PARTNER SNAPSHOT

Meridiam Africa Infrastructure Fund

Senegal's capital, Dakar, faces a significant shortage of critical infrastructure to support a rapidly growing population and increased trade and economic growth. DFC financing to the Meridiam Infrastructure Africa Fund supports multiple investments throughout Africa, including the Dakar Bus Rapid Transit project, which will introduce more than 140 electric buses and build new roads to support the fleet, helping to reduce emissions and expand public transportation in one of West Africa's largest cities.

Eligibility: Does Your Business Qualify for DFC Support?

Is the project in a country where DFC invests?

DFC supports investment in more than 100 countries around the world and prioritizes investment in low- and lower-middle-income countries, as defined by the World Bank. DFC may consider projects in certain upper-middle-income countries that address key agency priorities or serve underserved communities. For a full list of the countries where DFC is eligible to support business, visit the [Where We Work](#) page on DFC.gov.

Does the requested loan size fall within DFC's range of support?

DFC offers financing of \$1 million to \$1 billion per project, with narrower parameters for specific programs and sectors.

Is the investor contributing sufficient equity to the project?

Investors must be willing and able to make sufficient financial investment to the project to support its long-term viability.

Does the investor have a successful track record in the industry?

Projects DFC supports must demonstrate the competence of the management team and financial records in the same or a closely related business that show a recent record of success.

Will the proposed project comply with DFC's investment policies?

All DFC projects are required to be conducted with respect for the environment, worker rights, human rights, and local communities, while also encouraging a positive host country impact. These standards are outlined in more detail on the [Investment Policies](#) page of DFC.gov.

Is the project in any of DFC's prohibited sectors?

DFC will not support investment in certain prohibited sectors, including gambling; media communications of an adult or political nature; military production or sales; alcoholic beverages if contrary to local religious or cultural norms; or tobacco and related products. For a more detailed discussion of prohibited sectors, visit the [Environmental and Social Policies and Procedures](#) section of our website.

Have investors sought financing from private lenders?

DFC complements, rather than competes with, private-sector lenders, and supports projects that have been unable to obtain sufficient support from private lenders.

Is the borrower majority-owned or controlled by private-sector parties?

DFC typically supports entities that are majority owned or controlled by private-sector parties and requires a waiver to partner with state-owned enterprises, or enterprises with majority shareholding or control by a government party.

DFC PARTNER SNAPSHOT

Goyol Cashmere

In Mongolia, a DFC loan is helping knitwear producer Goyol Cashmere build a new factory to purchase equipment and expand production. In addition to creating jobs for workers in rural communities, the project is helping diversify the local economy and expand the local cashmere industry, which is one of Mongolia's largest exports. Goyol is owned by and managed by women.

Eligibility: Additional Considerations

Development Impact

DFC supports projects that are designed to achieve a significant positive developmental impact in the host country. We closely monitor and evaluate impact across three main areas.

Growth Does the project contribute to the host country GDP by improving infrastructure, generating local income, creating jobs, or delivering other benefits to the local economy?

Innovation Does the project introduce innovation by strengthening local markets, incorporating an innovative financial structure, or facilitating knowledge or technology transfer?

Inclusion Does the project provide benefits to marginalized populations such as women, people living in rural areas, indigenous populations, migrants, or other displaced people, small or medium enterprises, or underdeveloped geographies?

Bankability

DFC is a self-sustaining U.S. Government agency that provides investment rather than aid and generates income from its portfolio of investments. DFC operates with the rigor of a bank and seeks to support projects that are financially sustainable. In addition to providing a business plan that demonstrates commercial viability, some other concerns related to bankability include:

Are there any local content requirements in the country where the project is located?

For major infrastructure projects, is the project brownfield or greenfield?

For power projects, is there a power purchase agreement or other long-term contract and what is the creditworthiness of the offtaker(s)?

Foreign Policy Alignment

DFC seeks to also support projects that advance U.S. foreign policy and national security. Some questions DFC considers include:

How does the transaction complement existing U.S. Government priorities and efforts in the country or region?

If the project is in a region that is affected by conflict, will it serve as a stabilizing force?

How will the project impact the U.S. economy?

DFC PARTNER SNAPSHOT

Banco Industrial

In Guatemala, where small and medium enterprises account for an estimated 99 percent of economic activity, DFC financing is helping Banco Industrial expand lending to SMEs that are owned by or led by women who are particularly challenged to access credit.

The financing has enabled Banco Industrial to support businesses across a range of sectors, including food, manufacturing, and technology, while helping to close a \$14 million financing gap for SMEs and microenterprises in the country.

Eligibility: Additional Considerations

Political Risk

While DFC offers various political risk insurance products to help investors mitigate some of the most common challenges of investing in emerging markets, all investors should be mindful of potential challenges:

Are there any political, macroeconomic, exchange or sovereign risks associated with the transaction?

What are the steps in place to mitigate the identified risks?

Are there any individuals or entities associated with this transaction that trigger corruption, laundering, or sanctions concerns?

Management Capacity

What is management's experience, expertise and track record in the sector and region that is the focus of the project? Who are the shareholders and what is the financial arrangement with those shareholders? All projects that DFC supports must be within the competence of the proposed management team as demonstrated by a recent, proven track record of success in the same country or a closely related business, and a record of revenue generation and successful commercial operations.

Female Representation

DFC recognizes that women entrepreneurs around the world face significant challenges accessing finance to start or grow a business. DFC is addressing these gender inequities with the 2X Women's Initiative, which invests in gender-smart businesses. DFC prioritizes transactions that meet the 2X Criteria by being majority women owned, having a significant representation of women on boards or in senior leadership, providing quality job opportunities for women, or offering products or services that benefit women. Through the 2X Initiative, DFC also prioritizes investments in financial services companies that serve women entrepreneurs. For more information, visit the [2X](#) page on DFC.gov.

DFC PARTNER SNAPSHOT

Kasha

Kasha, an e-commerce business in Africa, is using a DFC equity investment to expand its service selling personal care products to women in parts of Kenya and Rwanda where supply chains and retail stores are limited. Kasha offers an online store accessible through basic mobile phones, and has served more than 70,000 customers, most of them low-income women.

Early-stage equity investment to a company founded by, managed by, and serving women

The Investment Process



DFC processes transactions as quickly as all parties can complete the necessary procedures and documentation.

How DFC Deals Are Sourced

DFC Connects with its Partners Through a Variety of Channels

- Existing clients
- Conferences and trade shows
- Virtual business development townhalls
- Cold calls from prospective clients
- Referrals from embassies and other U.S. Government agencies
- Banks, insurance brokers, and other financial institutions
- Other development finance institutions

Sourcing Deals in Developing Countries

As part of our work to advance inclusive growth, DFC actively seeks to partner with businesses in the host countries where we work so that those businesses can directly benefit as they participate in the growth of their economies. These local businesses can connect with DFC through a variety of channels:

Business Development Townhalls

DFC regularly hosts virtual townhalls to connect with these local businesses and educate them about our products and processes.

USAID Missions

DFC's Mission Transaction Unit (MTU) works with a network of USAID liaisons to identify credit challenges in developing countries and underwrite guaranties with local, regional, or international financial institutions. By sharing risk, MTU encourages banks to lend to projects likely to advance DFC and USAID development objectives.

Local Offices

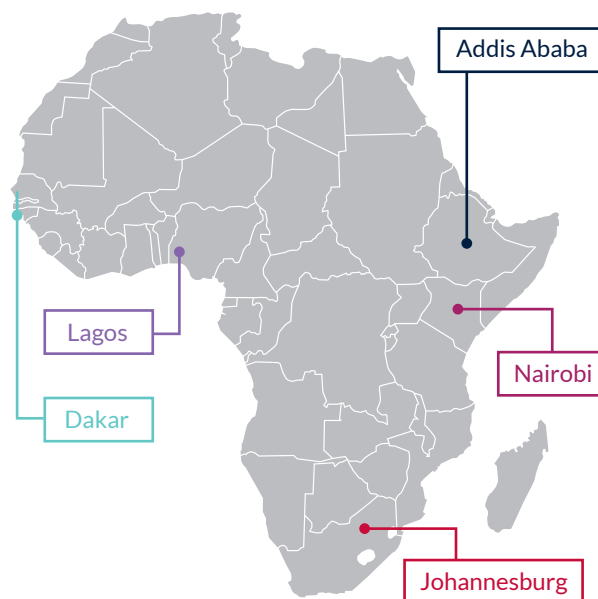
In addition to headquarters in Washington, DFC maintains five regional offices with staff to support business development and active projects.

- South Africa
- India
- Thailand
- Singapore
- Indonesia

Africa Investment Advisors

A regional team of six investment advisors work with DFC deal teams in Washington and local embassy staff to help identify and drive new investment activities in Africa. Contact africa@dfc.gov for more information.

DFC's Africa Investor Advisors



Measuring and Monitoring Impact

DFC is committed to ensuring the projects it supports deliver a positive development impact to the host country.

Pre-approval DFC evaluates every potential project before it is approved to identify and mitigate possible, environmental, social, and developmental risks and to assess the project's potential to achieve positive developmental impacts.

Due diligence During the due diligence process, prospective clients complete a Developmental Impact Questionnaire demonstrating compliance with **DFC's environmental and social policies and procedures**. DFC economists and environmental and social analysts use this information to ascertain the project's potential for positive developmental impacts and identify any gaps in policies and procedures that need to be addressed to comply with DFC standards.

Impact Quotient DFC's impact measurement and management tool, the **Impact Quotient (IQ)**, is used to establish the project's core developmental objectives and the associated metrics that will be used to measure the development impacts over its lifecycle.

Active projects DFC monitors all active projects for environmental and social policy compliance and development impact results. Based on a project's environmental and/or social risk profile, certain projects are prioritized for more in-depth monitoring, which may include one or more site visits. All active projects are monitored for development impact twice a year starting six months after a project becomes active. DFC collects comprehensive impact data electronically through the Development Outcomes Survey. This annual data collection is supplemented by a more specialized data collection that focuses on three to eight targeted IQ metrics selected during the due diligence stage to measure the development performance of the project over its life.

Impact data are used to track actual impact against original expectations.

DFC PARTNER SNAPSHOT

Milk Mantra

India is the world's largest producer of milk, but almost one-quarter of the country's farmers live below the poverty line. The dairy industry faces multiple concerns about quality, a fragmented supply chain, and insufficient investment in training and veterinary care.

DFC financing and technical assistance is helping Milk Mantra expand its business sourcing milk from more than 60,000 smallholder farmers and selling dairy products throughout eastern India. Milk Mantra also provides training to farmers, health services to cattle, and digital financial services to small rural farmers, with a strong focus on reaching female farmers.

The Milk Mantra project was supported through DFC's Portfolio for Impact and Innovation program, which supports innovative early-stage businesses.

DFC in the U.S. Government

DFC's work with the private sector in emerging markets helps advance American foreign policy while addressing major world challenges. This chart shows how DFC complements the work of some other major U.S. Government agencies.

U.S. Agency	Mission
 U.S. Agency for International Development	Administers civilian foreign aid and development assistance as directed by the executive branch
 State Department	Oversees U.S. foreign policy and international relations policy as initiated by the executive branch
 Export Import Bank of the United States	Offers working capital and other financial products to promote the export of American goods and services
 Millennium Challenge Corporation	Provides grants in exchange for policy changes that promote economic growth and reduce poverty in the host country
 U.S. Trade and Development Agency	Hosts reverse trade missions and other activities to advance U.S. commercial interests in developing and middle income countries
 Dept. Of Commerce International Trade Administration	Strengthens the global business environment and helps U.S. companies compete at home and abroad
 U.S. Department of Treasury	Collects all federal taxes; manages U.S. government debt instruments; licenses and supervises banks; and advises the legislative and executive branches on fiscal policy

Getting Started with DFC

Potential applicants should review eligibility criteria and contact a finance or insurance officer to discuss the proposal prior to beginning the application process.

U.S. Contacts

- Contact a structured finance officer
applysfi@dfc.gov
- Contact a development credit finance officer
applydevcred@dfc.gov
- Contact a political risk insurance officer
applyins@dfc.gov
- Contact an equity investment officer
equity@dfc.gov

Local Market Contacts

- India
indopac@dfc.gov
- Indonesia
indopac@dfc.gov
- Singapore
indopac@dfc.gov
- South Africa
africa@dfc.gov
- Thailand
indopac@dfc.gov

Application Process

All applications are generated and submitted through DFC's forms dashboard, which can be found on the DFC website at <https://www.dfc.gov/apply>

Frequently Asked Questions

How long does it take to review applications?

Review times vary, but DFC typically requires at least six months to review and process an application and sign a commitment letter. Applicants who consult with loan officers at the outset of the process, take time to complete a thorough application, and are responsive to DFC's information requests can help avoid delays.

Does DFC provide concessionary financing?

DFC provides market-rate financing based on the U.S. Treasury note plus a risk premium. In some projects, a blended financing solution may include lower rates from different lenders.

Does DFC require U.S. content in the projects it supports?

DFC does not require U.S. content, but the projects we support often lead to the procurement of U.S. goods and services.

Does DFC invest venture capital?

DFC does not directly invest at the venture capital level, although we do support funds that invest in venture capital.

Does DFC invest as a limited partner in private equity?

Yes. In addition to investing debt, DFC can invest equity as a limited partner in private equity.

Does DFC invest outside of priority sectors?

Yes. While DFC has a strong commitment to invest in climate, healthcare and other priority sectors outlined on page five, we support projects in a range of sectors, including critical infrastructure, education, and financial services. DFC reviews individual projects on their own merits, including the strength of the business plan and the likelihood for achieving a positive development impact.



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Investing in Development

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