DFC U.S. International Development Finance Corporation

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Investing in Development

Who We Are

U.S. International Development Finance Corporation (DFC) is **the U.S. Government's development finance institution.**

DFC partners with the private sector to finance solutions to the **most critical challenges** facing the developing world today.

Investing in Impact

DFC mobilizes **private sector investment** in emerging economies and prioritizes investments in lower-income countries and underserved communities.

DFC's investments are also rooted in **transparency and high standards**.

Student Housing

- On or Off Campus
- Mid-rise or High rise (more than 8 stories)
- Environmentally sustainable - EDGE certified
- IFC performance standards for Fire and Life Safety
- Strong security system
- Minimum space per student 10m in room, 14m including common areas
- Maintenance budget/reserve
- Property management - operator track record
- Student life management, 24 hour student support and monitoring to prevent hot bedding, cohabitation
- Strong contractor with financial and techincal capacity

PPPs for OnCampus housing

- Formal tender usually a BOT concession for 15-20 years
- Take or pay contract (possible control of dorm fees)
- Zero land cost but standard real estate collateral not possible - assignment of contract, letter of credit and possible letter of support, control of cash flows
- University management or 3rd party? Both?
- Quality disparity with existing dorms - include retrofit program
- Creditworthiness of university, possible guaranty backstop?
- completion support from developer

Private Off-Campus

- Project Finance Structure
  - Construction to permanent loan, leverage 50-60%
  - 15 years
  - Collateral - land, buildings, accounts, assignment of contracts etc.
  - Diligence – KYC required on management, board, some shareholders
  - IOfftake - market study required, university MOUs or other marketing support agreements, comparison to alternative housing solutions cost and amenities
  - Affordability
  - Project completion Letter of Credit or Guaranty through rent stabilization

Diligence Considerations

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- Land issues – previous use, environmental concerns, unlawful occupancy, relocation programs
- Land Cost and projected valuation at completion
- Community engagement - student housing might not be popular
- Application and credit decision policies and procedures
- Operations management capacity and track record
- Churn projections with maintenance cost provisions
- Payment mechanisms and collections practices, evictions policy
- Building rules and enforcement.
- Investor exit expectations
- Multiple revenue sources - retail and services
- Technologies being used to support operational efficiency and security

Impact

- Jobs created
- Energy and water efficiency targets, embedded carbon etc.
- Family income buckets for students served - discounts?
- Community engagement - CSR activities
- On the job training programs particularly for new facility managers and student representatives
- Project amenities - (recreation, study rooms, clinic, laundry, food service, excercise, transport access etc.)
- Client satisfaction surveys (student and family)
- School engagement programs

What We Offer

Debt Financing

Direct loans and guaranties of up to $1 billion for tenors as long as 25 years, with specific programs targeting small and medium U.S. businesses

Equity Investments

DFC direct equity investments can provide critical support to companies committed to creating developmental impact

Feasibility Studies

Support for the analysis of a potential DFC project

Investment Funds

Debt and equity support for emerging markets private equity funds to help address the shortfall of investment capital

Political Risk Insurance

Coverage of up to $1 billion against losses due to currency inconvertibility, government interference, and political violence, including terrorism. DFC also offers reinsurance to increase underwriting capacity

Technical Assistance

Support to increase the developmental impact or commercial sustainability of existing DFC projects or develop potential DFC projects

Project Eligibility

Will my project meaningfully involve the **private sector**?

Will my project uphold high **social & environmental standards**?

Will my project deliver a **meaningful positive impact** to the host country?

Is DFC open in my **country of interest**?

Does my project fall within a **prohibited sector**?

Project Life Cycle

Sourcing

DFC conducts outreach in the U.S. and host countries to identify potential partners that could make use of DFC investment tools to achieve or expand a developmental impact in an emerging market.

Prescreening

Potential clients and their projects are prescreened based on the strength of the business plan, alignment with agency priorities and resources, and compliance with DFC's investment standards.

Application

Businesses and investors can complete the application at www.dfc.gov/apply.

Due Diligence

DFC conducts a detailed assessment of the potential client's business plan, financial model, historical financial statements, expected project impact, legal compliance, and character risk.

Approval

The project is reviewed by DFC management, credit and investment committees for final approval. Loans and investment guarantees above $50 million as well as all equity transactions require approval from DFC's Board of Directors.

Project Close

Transaction documentation is negotiated and executed. DFC can begin disbursing once the client has complied with the pre-disbursement requirements listed in the transaction documentation.

Monitoring

DFC monitors the credit, policy compliance, and developmental impact of all projects.

Tackling the Climate Crisis

Photo Credit: Lekela

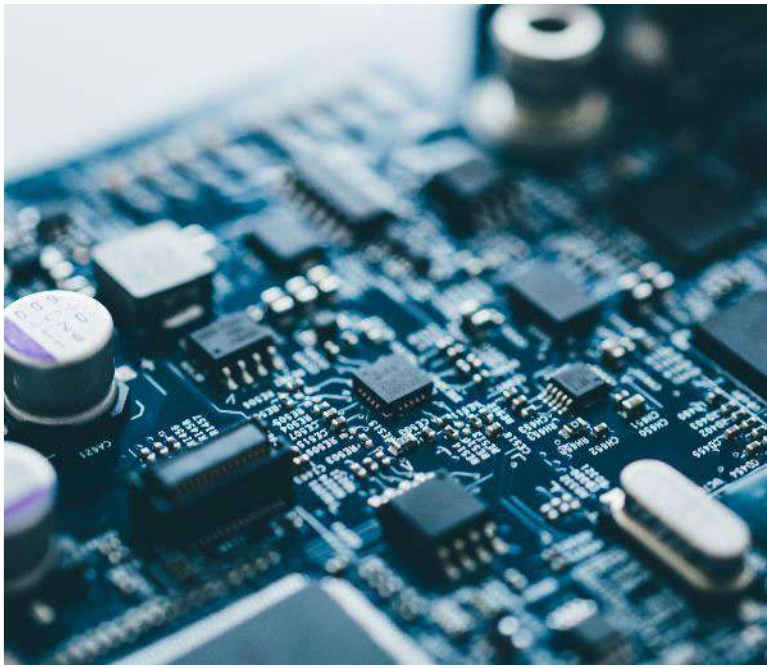
DFC has launched a series of new **climate-focused commitments**, including net zero emissions in its portfolio by 2040, to extend work in the developing world, and is supporting investment in climate mitigation, resilience, and adaptation.

Empowering Women Across the Globe

DFC's 2X Women's Initiative has catalyzed **more than $13.5 billion** in capital to businesses and funds owned by, led by, or supporting women, and has committed to catalyzing an additional **$12 billion** of investment in women by 2025.

Expanding Access to Information and Communications Technology (ICT)

DFC recognizes **ICT** as an important tool for advancing development and supports investment in internet and mobile service operators, telecommunications towers, and data centers as well as projects that leverage technology to tackle other challenges.



Promoting Inclusive Growth

DFC prioritizes investment in **low- and lower middle-income countries** and supports projects that reduce extreme poverty and address income inequality, benefiting the people and communities most in need.

A Commitment to Impact

DFC evaluates every project using its performance measuring tool, **Impact Quotient (IQ)**, to measure, monitor, and evaluate its developmental impact around the world.

Contacts & Resources

Contact

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Resources

For more information, visit **www.dfc.gov.**