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U.S. International Development Finance Corporation (DFC)



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What is DFC?

- **Mandate:** America's development finance institution (BUILD Act, 2018; launched 2019) mobilizing private capital to advance U.S. foreign policy, national security, and economic development.
- **Scale:** Currently up to **\$60B** lending authority; active global portfolio approaching **\$50B** across 100+ priority markets.
- **Approach: Private sector led.** DFC invests **alongside** private capital in commercially viable projects with development impact.
- “DFC is the U.S. government's development finance arm deploying loans, guarantees, equity, PRI, and project-prep grants to **crowd in private capital** for strategic infrastructure, energy, critical minerals, and digital connectivity. It's central to **Ukraine reconstruction**, **Africa corridors** like Lobito, and **secure supply chains** that reduce dependence on adversarial sources.”

Investment Tools

- **Political Risk Insurance (PRI):** Coverage (expropriation, currency inconvertibility, political violence/terrorism); reinsurance available.
- **Debt Financing:** Direct loans/guarantees up to **\$1B**, tenors up to **25 years**.
- **Equity Investments:** Minority stakes to catalyze deals with strong development impact.
- **Funds Investments:** Debt/equity into EM private equity/credit funds to close capital gaps.
- **Project Development Grants (PDGs):** Early work (FEED, ESIA, transaction structuring) to get bankable.



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Priority Sectors (current focus)

- **Critical minerals & supply chains** (nickel, graphite, rare earths, 3T, etc.).
- **Infrastructure:** Ports, roads, rail, airports; **digital infrastructure** and secure networks.
- **Energy:** LNG and midstream, power generation (including **nuclear** and **geothermal**), T&D/grid upgrades, hydropower; energy manufacturing supply chains (e.g., batteries).
- **Food security & agriculture**
- **Health:** Services/infrastructure, manufacturing & APIs, digital health
- **SMEs & financial services:** On-lending via banks/fintechs; inclusion for women and underserved entrepreneurs.



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Regional and Program Notes Mentioned

- **Ukraine:** Standing up the **Ukraine Reconstruction Infrastructure Fund (RIF)**; open to logistics, energy, transport, and other private-sector proposals aligned with gov priorities.
- **Africa: Lobito Corridor (Angola/region)** remains a priority; energy, transport, and digital connectivity deals.
- **Indo-Pacific & SE Asia:** Digital infrastructure and secure networks; partnerships with allies (e.g., Australia/Japan in the Pacific Islands).
- **Gaza/fragile contexts:** DFC goes where **private sponsors** can operate; requires investable private proposals and U.S. policy alignment.



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Interagency & Embassies

- Works closely with **State/Embassies (Deal Teams)**, **DoD (Office of Strategic Capital)**, **Treasury, Commerce, MCC, EXIM** to align tools and de-risking.
- Expanding **overseas presence** to improve sourcing and due diligence.



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Policy/Authorization Status (signals for 2026)

- Broad Capitol Hill interest in **reauthorization** and **higher investment cap**; plan to establish a **revolving equity fund** (returns reinvested).
- Appropriations outlook: House marks supportive; awaiting Senate action. (Operational continuity sought via short-term extension if needed.)



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How Companies Engage

- Start at **dfc.gov** → “**What We Offer**” for product overviews, **eligibility checklists**, and to **contact an investment officer**.
- Bring **ripe, investable proposals** (sponsor team, co-financing, host-government context, E&S plan). PDGs may support late-stage de-risking—not green-field ideation.
- **SMEs**: Engage through DFC’s Office of Small Business & Financial Services and via financial-intermediary programs.



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Guardrails / What Does DFC Look For?

- Clear **development impact** + alignment with **U.S. policy** objectives.
- Additionality (DFC catalyzes, doesn't crowd out); sound sponsors; realistic risk allocation; E&S compliance; FX/sovereign risks addressed.



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Smart Questions to Drive the Discussion

1. **Bankability:** “What are the top 2–3 elements that make a proposal ‘DFC-ready’ versus premature—and how can PDGs bridge that gap?”
2. **De-risking mix:** “When should sponsors ask for debt vs. PRI vs. guarantees—and how does DFC think about blended finance with EXIM/MCC/USAID?”
3. **Ukraine pipeline:** “Which subsectors (energy, rail/ports, housing, ag-logistics) are most actionable for private sponsors in the next 12 months?”
4. **Critical minerals:** “What qualifies as a ‘secure supply chain’ project—and how is offtake structured to meet DFC’s additionality and E&S standards?”
5. **Digital/security:** “What does ‘trusted’ digital infrastructure mean in practice (vendors, governance, cybersecurity benchmarks)?”
6. **SMEs:** “Best routes for smaller firms—direct deals vs. intermediated finance? Any upcoming funds or facilities SMEs should watch?”
7. **Timing & approvals:** “Typical diligence/approval timelines and common pitfalls that slow closing?”