

# U.S. International Development Finance Corporation

*Discussion with AmCham,  
Indonesia*

# Who We Are

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U.S. International Development Finance Corporation (DFC) is **America's development bank**. DFC partners with the private sector to finance solutions to the **most critical challenges** facing the developing world today.

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# The BUILD Act



Signed in October 2018, the BUILD Act consolidated the Overseas Private Investment Corporation (OPIC) and USAID's Development Credit Authority into a modernized development finance institution with:

- **A More Than Doubled Investment Cap of \$60 Billion**
- **New Tools**
- **Greater Focus on Lower Income Countries**
- **Increased Interagency Coordination**

# Our Model



## DFC's Triple Aim model has three key components:

- **Development:** We mobilize private sector investment to advance development in emerging economies around the world.
- **Foreign Policy:** We serve as a critical tool of American foreign policy, mobilizing investment in regions of critical strategic importance.
- **Returns:** Our investments generate returns for American taxpayers.



# Where We Work



**\$29.5 Billion** in total  
active commitments  
across the world

# Investment Priorities



## Energy

Help countries meet the growing demand for energy in remote and developing areas, expand access to renewable energy, and promote energy independence



## Healthcare

Provide ready access to medical professionals, facilities, and lifesaving treatments, as well as promote critical water, sanitation, and hygiene projects



## Critical Infrastructure

Invest in critical infrastructure projects, including roads, bridges, and ports, to create jobs and economic growth through increased trade and regional connectivity



## Technology

Connect emerging markets to the world by creating new opportunities for the developing world to leapfrog traditional boundaries



## Financing for Small Businesses and Women Entrepreneurs

Emphasis on investing in women entrepreneurs and small businesses to create jobs and opportunity at the local level that can be reinvested to grow communities

# What We Offer



## Equity Financing

Direct equity and support for investment funds



## Political Risk Insurance

Coverage of up to \$500 million against losses due to currency inconvertibility, government interference, and political violence including terrorism. DFC also offers reinsurance to increase underwriting capacity



## Debt Financing

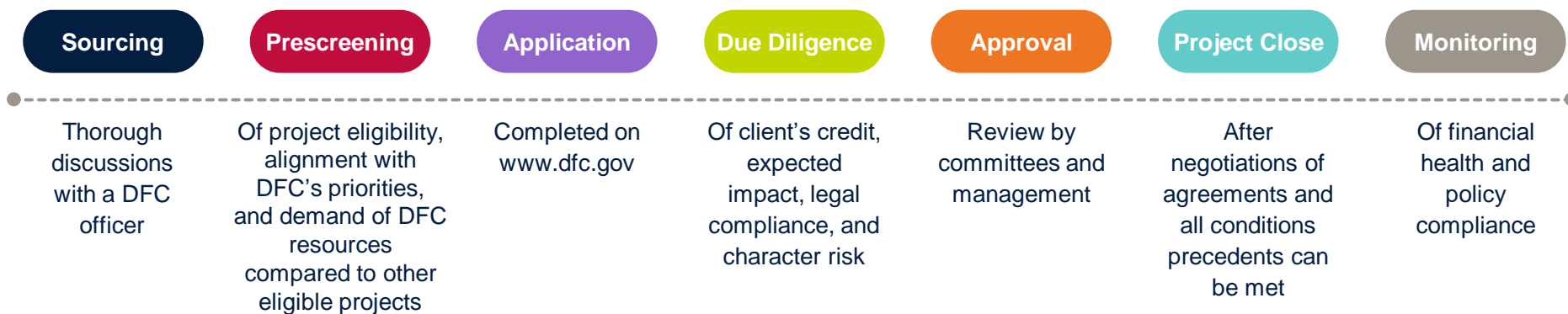
Direct loans and guaranties of up to \$500 million for tenors as long as 20 years, with specific programs targeting small and medium U.S. businesses



## Technical Development

Feasibility studies and technical assistance accelerate project identification and preparation to better attract and support private investment in development outcomes

# Project Life Cycle





# Advancing a Free & Open Indo-Pacific

DFC's investments in the Indo-Pacific's **digital economy, infrastructure, & energy** are advancing a robust alternative to unsustainable state-led investment models.



## Energy

**DFC Sector Objective:** Financing and investment in the renewable energy sector with a particular focus on helping populations, particularly those in low-income and middle-income countries, to attain a prosperous future by developing robust, sustainable renewable energy and electricity access systems led by private investors.

### **Recent Initiative: Distributed Renewable Energy (DRE) call for applications**

- Recognition that climate change and lack of reliable energy access both impact economic growth and livelihoods in developing countries.
- Investment in DRE offer an opportunity to address both issues.
- Purpose of the call:
  - Commit up to \$100 million in financing or other investment support for DRE-related investments within one year of the launch;
  - Proceeds can be used for business expansion, working capital, and growth capital.
- Qualifications/Characteristics:
  - Mini/Micro-grid deployment;
  - RE solutions for commercial and industrial use;
  - Solar home systems;
  - Battery storage.
- Applications due: **June 18, 2021**

## Energy

**Objective:** Support Indonesia's transition to cleaner and more sustainable sources of power generation while addressing PLN's concerns around cost, grid stability/reliability, and emissions.

**PT UPC Sidrap Bayu Energi:** First utility-scale wind power project in Indonesia. The project included the development, construction, commissioning, and operation of a 75MW wind farm located in South Sulawesi. The project aligns with the Government of Indonesia's energy goals to increase renewable energy's contribution to the generation mix to 23% by 2025.



## Healthcare

**DFC Sector Objective:** Creating a healthier world by investing in projects that are expanding access to care, strengthening healthcare supply chains, building hospitals and clinics, and providing lifesaving treatments.

**Recent Initiative: Global Health and Prosperity Initiative (HAPI)**

- Launched in response to COVID-19;
- Recognition that the world's healthcare infrastructure requires significant improvements to withstand current and future health risks.

# Accelerating Progress in Global Health

## Health and Prosperity Initiative

DFC will invest up to \$2 billion across investments in global health with a goal of mobilizing an additional \$3 billion in private capital to developing countries.

DFC will focus attention on projects that support the global COVID-19 pandemic response, especially through investment in health system capacity, including supply chains that expand the distribution of diagnostics, therapeutics, vaccines, and other medical supplies, products, and equipment.



# HAPI focus areas

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**HAPI focuses on investment opportunities that are in one of the following focus areas:**

- ✓ The global COVID-19 response
- ✓ Health supply chains (including the production and distribution of PPE, ventilators, therapeutics, diagnostics, vaccines, and other medical supplies/products/equipment)\*
- ✓ Innovative care delivery systems
- ✓ Digital health and related IT systems
- ✓ Health care financing and insurance
- ✓ Data science innovations
- ✓ Medical technology and devices\*
- ✓ Water and sanitization (WASH)
- ✓ Nutrition
- ✓ Pharmaceuticals\*
- ✓ Biomedical research
- ✓ Other related investments that strengthen health system capacity

*\*Note: If a company is producing or distributing medical devices, equipment, pharmaceuticals, or other medical supplies, products must have FDA approval, CE certification, or equivalent.*



# HAPI project eligibility criteria

*DFC offers Debt, Equity, Political Risk Insurance, and Technical Assistance*



Project is in a **DFC-eligible country**. Higher focus on Low Income Countries and Low Middle Income Countries



Majority owned by **Private Sector**



Investment ticket of **\$5 - \$500 million**



**Adequate equity contribution** by the sponsor. DFC can generally invest a maximum of 50% of project costs, with a maximum hard cap of 75%



**Strong track record** of the sponsor



Projects with high **social & environmental standards**

## Healthcare

**Objective:** Expand the availability and affordability of quality healthcare services across Indonesia.

**PT Resilience COVID Indonesia:** DFC guarantee to the fund, which is lending to market-based online lenders, which in turn on-lend to small and medium enterprises in the health and food transportation sectors. DFC guaranteeing \$28 million of the total \$40 million portfolio, representing 70% of the portfolio. The underlying loans from the platforms to the healthcare sector will be to hospitals, clinics, and pharmacies that have a contract with BPJS, the Indonesian government-owned insurance company.

## Financial Inclusion

**DFC Sector Objective:** Providing debt and equity financing to businesses and entrepreneurs who need it most. Recognition that access to financial services is essential to addressing inequities and making an impact, particularly during times of crisis.

### **Recent Initiative: Roadmap for Impact**

- Comprehensive investment strategy launched in 2020;
- Prioritize low-income and economically marginalized communities;
- Introduce technology and digital solutions; and
- Creating jobs.

### **Recent Initiative: 2X Women's Initiative**

- Empowering women economically;
- Qualifying projects are owned by women, managed by women, or provide a service that benefits women.

# Empowering Women Across the Globe

DFC's 2X Women's Initiative has mobilized **more than \$1 billion** in capital to businesses and funds owned by, led by, or supporting women.



## Information Communications Technology (ICT)

**DFC Sector Objective:** Commitment to supporting private sector investment in projects that expand access to affordable internet and telecommunications, as well as projects that leverage technology to support other functions, such as fin-tech advancing financial inclusion, online education, and contact tracing to advance the ongoing response to the COVID-19 pandemic.

**Trans Pacific Network:** A \$190 million loan to support the submarine cable developer and operator, to finance the development, construction, and operation of the borrower's ownership in a 15,200 km submarine fiber-optic cable from Singapore to the U.S. with branches serving Indonesia and Guam and yet-to-be-developed branches to serve other jurisdictions in the Indo-Pacific, including Palau.

# Project Eligibility



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



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



Will my project  
negatively impact  
**US jobs**?



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



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



# Contacts & Resources

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## Contact

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## Resources

For more information,  
visit **[www.dfc.gov](http://www.dfc.gov)**.