

## Project Financing

Learn about the various U.S. government project financing programs for large-scale international capital-intensive projects.



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Project Financing enables U.S. businesses to acquire financing for large-scale projects that require large amounts of capital, such as infrastructure, telecommunications, power, water, housing, airports, hotels, high-tech, financial services, and natural resource extraction industries.

## Export - Import Bank of the United States

The Export-Import Bank of the United States (EXIM Bank) offers project and structured financing to U.S. exporters and their international customers. Limited recourse (project) and structured financing are two options that offer maximum flexibility for project sponsors and help U.S. exporters compete globally in natural resource and infrastructure sectors. EXIM offers limited recourse project financing in most countries and has no country or project dollar limits.

The benefits to EXIM's project and structured finance features are:

- **Responsiveness** - Letters of interest are received in seven days or less or a preliminary project letter within 45 days of formally applying for financing.
- **Transparency** - You can estimate exposure fees, get detailed application information, and look at all of EXIM Bank's published documentation (including environmental guidelines, country limitations, and project criteria).
- **Availability** - No country or project limits.

## Limited Recourse Project Finance

EXIM Bank's limited recourse project finance is an arrangement in which EXIM lends to newly created project companies and looks to the project's future cash flows as a source of repayment instead of relying directly on foreign governments, financial institutions or established corporations for repayment of the debt.

This financing arrangement is especially appropriate where hard currency revenues can be captured offshore or long-term off-take contracts insure project cash flows. EXIM will work with project developers or equity participants to develop a structure that can be sustained throughout the project's operations.

## Structured Finance

Through "structured finance," EXIM can consider existing companies overseas as potential borrowers based on their creditworthiness as reflected on their balance sheet and other sources of collateral or security enhancements. EXIM has done structured transactions such as multiple-country fiber-optic cable, oil and gas projects, air traffic control, telecommunications and manufacturing entities.

# U.S. International Development Finance Corporation

Previously the Overseas Investment Corporation (OPIC), the [U.S. International Development Finance Corporation \(DFC\)](#) is the U.S. Government's developing finance institution. DFC partners with the private sector to finance solutions to the most critical challenges facing the developing world today. DFC invests across sectors including energy, healthcare, critical infrastructure, and technology. DFC also provides financing for small businesses and women entrepreneurs in order to create jobs in emerging markets. DFC investments adhere to high standards and respect the environment, human rights, and worker rights.

## Background

DFC was established in 2019 through the passage of the BUILD, or Better Utilization of Investments Leading to Development, Act which strengthened and modernized American development finance. The BUILD Act combined the capabilities of the Overseas Private Investment Corporation (OPIC) and the Development Credit Authority which had previously been housed in the U.S. Agency for International Development (USAID).

## Multilateral Development Banks

The Multilateral Development Banks (MDBs) are international financial institutions that promote economic and social progress in their developing member countries. Each year, the MDBs (the World Bank, and the Inter-American, Asian, and African Development Banks, and the European Bank for Reconstruction and Development) extend a combined total of almost \$50 billion in loans, grants, and investments to the public and private sectors. These funds are used for economic and social development in developing markets.

However, many U.S. exporters are missing out on these extremely lucrative opportunities because they lack the necessary information about the projects, and are unfamiliar with the MDBs and foreign government tendering procedures.

There are five MDBs with U.S. Government liaisons available to help you:

- [African Development Bank](#)
- [Asian Development Bank](#)
- [European Bank for Reconstruction and Development](#)
- [Inter-American Development Bank](#)
- [World Bank](#)

The United States plays an important role in the activities of the multilateral development banks (MDBs), and is typically the largest single shareholder, contributing generously to development projects in countries where the banks operate. As a result, Congress has mandated that the U.S. Department of Commerce have a Commercial Liaison Office at each of the MDBs. These offices protect American commercial interests and advise U.S. firms on how to work with the MDBs, promote risk mitigation strategies for emerging market activities, and advocate on procurement and contracting issues. For additional information on doing business with MDBs, please visit this [page](#).

## U.S. Trade and Development Agency

The [U.S. Trade and Development Agency](#) (USTDA) funds various forms of technical assistance, feasibility studies, training, orientation visits and business workshops that support the development of a modern infrastructure and a fair and open trading environment.

USTDA's grants support sound investment policy and decision-making in host countries and helps U.S. companies enter foreign markets and bid on infrastructure projects. USTDA is uniquely positioned to work with U.S. firms and host countries giving emphasis to industry sectors that may benefit from U.S. exports of goods and services.

## **Millennium Challenge Corporation**

The [Millennium Challenge Corporation](#) (MCC) is an innovative and independent U.S. foreign assistance agency that is helping lead the fight against global poverty.

Created by the U.S. Congress in January 2004 with strong bipartisan support, MCC has changed the conversation on how best to deliver smart U.S. foreign assistance by focusing on good policies, country ownership, and results. MCC provides time-limited grants promoting economic growth, reducing poverty, and strengthening institutions. These investments not only support stability and prosperity in partner countries but also enhance American interests. With cost-effective projects, a lean staff, and an evidence-based approach, MCC is a good investment for the American people.

Working with the MCC can reduce your risk if your company wants to work on a project in one of their partner countries. Successful bidders on MCC-funded projects are paid directly from the U.S. Treasury (in U.S. dollars in a timely manner). The MCC procurement process also emphasizes "best value" taking into account references, technical quality and past performance – which means that the lowest cost bidder does not automatically win. MCC partners with countries that are poor but well-governed, and seeks to work with more quality companies with a track record of achieving success on a similar scale.