

## BUSINESS PLAN OR PRELIMINARY INFORMATION MEMORANDUM

Since DFC supports a variety of transaction structures in many different sectors/industries and countries, it is not possible to provide a standard business plan template. The following checklist details the items that applicants should consider as they prepare their business plans.

### Investment/Transaction Summary

- **Investment/Transaction Description/Status** Describe the purpose for which the DFC loan/guaranty is to be used and any development activities completed to date -- investment made to date, market or feasibility studies performed, status of documentation/permits/government consents, environmental studies, past and ongoing consultations with project-affected communities (including disadvantaged and vulnerable groups), etc.
- **Financial Plan and Credit Support** Describe the proposed DFC and other lender debt -- loan amount, tenor, grace period -- and source, timing and amount of DFC or other equity contributions, grants or other funding; describe any proposed collateral and other credit support.

### Key Parties and Technical Assistance

- **Owners/Shareholders, Guarantors, Management, Contractors, Regulators --** Provide detailed information on the key parties associated with the transaction, fully explain their role(s), and explain the relationships among them. If certain characteristics (e.g. a strong credit rating) or capabilities/experience (e.g. a strong track record in a given market or industry) are important to that party being considered a good candidate to fulfill their role in the transaction, please highlight that information.
- **Technical Assistance** – If technical assistance (provided either by the DFC or other parties) is a key factor in the successful development of the investment, please explain the role that it will play.

### Sector/Target Market/Economics

- **Sector/Industry** Describe the competitive environment in which the investment is being made and any recent or emerging trends that may affect its success.
- **Product/Services** Describe the ultimate products or services that this investment will produce, in what quantity, and whether for the local market or for export (and if for export, to which countries).
- **Economic/Technical Specifications** If relevant, provide economic assumptions, technical parameters, construction plans/schedule, equipment/land to be procured, off-take arrangements, etc.
- **Agreements** List any key contractual arrangements necessary to the success of the investment such as concession or franchise/royalty agreement(s), construction contract(s), offtake agreement(s), environmental impact studies, feasibility studies, marketing studies, technical assistance agreement(s), management services agreement(s), lease(s), etc. (and attach electronically if available).

### Legal, Economic, Political Environment and Government Participation

- **Licenses/Permits** List all licenses, permits, consents, approvals, environmental requirements etc. required by the country/local government and the status of such documentation.
- **Legal Regime** List local laws, regulations or pending reforms that will impact the investment or the sector.
- **Economic/Political Climate** Describe relevant economic and political factors in the country/region where the investment is located.
- **Government/Multilateral Participation** Describe any government or multilateral involvement in the investment or the sector and any government incentives such as tax holidays.
- **Litigation or Dispute Resolution** Describe any litigation or community dispute or complaint resolution processes that have occurred or are occurring involving any of the key parties that could affect this investment.

## Transaction Strengths/Risks and Risk Mitigation

- **Strengths** Describe those factors that contribute to the long-term viability of the investment/transaction.
- **Risks** Describe risks such as credit risks, sector/market risks and competition, operational and management risks, political/economic risks, legal/regulatory risks and environmental, social and human rights risks and what steps the Borrower / Guaranteed Party will take to mitigate such risks and provide access to accountability and remedy for negative project impacts on individuals and communities.