

	Project Finance	Corporate Finance
General Criteria	<ul style="list-style-type: none"> ✓ Privately owned* ✓ Operating in one of ICD's member countries 	<ul style="list-style-type: none"> ✓ Privately owned* ✓ Operating in one of ICD's member countries ✓ At least five years of operational track record. ✓ Not have incurred losses in more than one year over the past three years. ✓ Should have positive operating cash flow at least for two years over the past three years, and the sum of operating cash flow of these three years should be positive. ✓ Total liabilities (including proposed ICD financing) should not exceed 75% of its total assets.
Average size of Investment	30 million	15-20 million
Tenor	Up to 18 years	Up to 10 years
Maximum Investment Amount	35% of the investment cost, and ICD shall not be the largest lender	The lower of 30% of the total assets and 50% of total project cost, and ICD shall not be the largest lender
Sector Focus	Power & RE Energy Transportation Water	Agribusiness Industrial Health Care Education

TARGET MARKET SHEET: AGRIBUSINESS & INDUSTRIES

Parameter	Information / Note / Outcome		
Name of the Project Company			
Country of the Project Company			
Country Rating			
Is the Country Rating B3 equivalent or superior? ¹	Guidance note: refer to the footnote	Yes	No
Is the Project Company a well-established going concern with a proven track record? ²		Yes	No
What is the credit rating of the Project Company?			
Is the rating of the Project Company on a standalone basis (without counting country risk) B1 or superior? ³	Guidance note: refer to the footnote	Yes	No
Does the Project Company or the Corporate Guarantor (if applicable) have an acceptable level of management structure and succession plan? ⁴	Guidance note: refer to the footnote	Yes	No
Does the Project Company (if not greenfield) and the corporate Guarantor (if applicable) have audited financial statements for at least the past three years? ⁵	Guidance note: refer to the footnote	Yes	No
Is the Project Company or the Corporate Guarantor audited by one of the Big Four or their local partners?	This is an information only line	Yes	No
Are the financial statements consolidated? ⁶	Guidance note: refer to the footnote	Yes	No
Are the auditors' reports free from any major negative qualification? ⁷	Guidance note: refer to the footnote	Yes	No
Does the Project Company has borrowing relationship with any of the international commercial banks operating in the country? ⁸	Guidance note: refer to the footnote	Yes	No
Has the sponsor any financing from any international DFI so far? ⁹	Guidance note: refer to the footnote	Yes	No
Has the KYC on the sponsors been completed? ¹⁰	Guidance note: refer to the footnote	Yes	No
Has there been any red flag identified during the KYC exercise? ¹¹	Guidance note: refer to the footnote	Yes	No
Is (Will) the Project Company (be) export oriented? If it is not export oriented, is the team still comfortable	Guidance note: refer to the footnote	Yes	No

¹ If the country rating is worse than B3 or equivalent, then discuss with RMD before proceeding

² If the answer is "No", then there should be corporate guarantee from the parent or affiliate or acceptable bank guarantee.

³ If the Answer is "No", there should be an acceptable corporate guarantee from an affiliate or other form of credit enhancement.

⁴ Avoid dealing with companies without reasonable management structure and succession planning

⁵ If the answer is "No", then disengage till audited financial statements are provided

⁶ If the answer is "No", then request for consolidated statements, even if on an unaudited basis. If consolidation is not possible in short run, then discuss with RMD before proceeding further

⁷ If the answer is "No", then ensure that such qualification is factored into the appraisal by the ICD team and discussed with RMD

⁸ If the answer is "No", then enquire whether they have borrowing relationship from any of the reputable local banks.

⁹ If the answer is "No", then discuss with the client on the international term finance process and requirement upfront

¹⁰ Formal KYC clearance will be needed for IC approvals. For the purpose of LOI issuance only, formal KYC clearance will not be necessary but reasonable desktop research by the business team should suffice.

¹¹ if the answer is "Yes", disengage unless and until the issue is fully resolved

with the FX risk given the country context or by virtue of any financial mitigation (e.g., currency hedge)? ¹			
Is the Project Company and the Guarantor (if applicable) have a relatively conservative net FX exposure? ²	Guidance note: refer to the footnote	Yes	No
Will the Project have other reputable co-financier(s)?	Guidance note: If the answer is “No” then effort needs to be made to bring reputable co-financier(s).	Yes	No
Will the facility enjoy first ranking security on a pari-passu basis at a Project Company level with other senior lenders?	Guidance note: If the answer is “No”, then discuss with RMD prior to making much progress.	Yes	No
Does the financial model account for appropriate level of working capital financing and financial expenses	Guidance note: If the answer is “No”, please adjust the financial model	Yes	No
Remarks & Recommendation:			

¹ If the answer is “No”, then do not proceed unless mitigation is found.

² If the answer is “No”, then assess the exposure carefully and discuss with RMD before making much progress.

TARGET MARKET SHEET: INDEPENDENT POWER PRODUCERS OR WATER PRODUCERS

Parameter	Information / Note / Outcome		
Name of the Project			
Country of the Project			
Country Rating			
Is the Country Rating B3 equivalent or superior? ¹	Guidance note: refer to the footnote	Yes	No
The credit rating of the main Sponsor(s), if available			
Is the rating of the main sponsor Baa3 or superior? ²	Guidance note: refer to the footnote	Yes	No
Has the sponsor done similar projects in the past? ³	Refer to footnote for Guidance Note	Yes	No
Has the sponsor undertaken any project financed by any international DFI? ⁴	Refer to footnote for Guidance Note	Yes	No
Has the KYC on the sponsors been completed? ⁵	Guidance note: refer to the footnote	Yes	No
Has there been any red flag identified during the KYC exercise? ⁶	Guidance note: refer to the footnote	Yes	No
Is the project expected to have a bankable concession with guaranteed capacity payment or equivalent? ⁷	Guidance note: refer to the footnote	Yes	No
Will the obligations of the main concession counterparty (e.g., a power purchaser or a road authority) backstopped by the government? ⁸	Guidance note: refer to the footnote	Yes	No
Have the sponsor identified other co-financiers?	Guidance note: If the answer is “No” then LOI can be issued but clarity to be issued before IC1.	Yes	No
Are these co-financiers of repute?	Guidance note: If the answer is “No”, then bring reputed co-lenders prior to IC2.	Yes	No
Remarks & Recommendation:			

¹ If the country rating is worse than B3 or equivalent, then discuss with RMD before proceeding

² If the Answer is “No”, then the sponsor should provide an acceptable LC equivalent to their equity commitment or alternatively, inject the entire equity prior to the first drawdown of the senior debt.

³ If the answer is “No”, then evaluate their experience in other sectors and assess accordingly

⁴ If the answer is “No”, then discuss with the client on the international term finance process and requirement upfront

⁵ Formal KYC clearance will be needed for IC approvals. For the purpose of LOI issuance only, formal KYC clearance will not be necessary but reasonable desktop research by the business team should suffice.

⁶ If the answer is “Yes”, disengage unless and until the issue is fully resolved

⁷ If the answer is “No”, then do not engage unless under acceptable parent support

⁸ If the answer is “No”, then do not engage unless the power purchaser is bankable or under acceptable sponsor support.

TARGET MARKET SHEET: TRANSMISSION OF POWER, ENERGY OR WATER

Parameter	Information / Note / Outcome		
Name of the Project			
Country of the Project			
Country Rating			
Is the Country Rating B3 or superior? ¹	Guidance note: refer to the footnote	Yes	No
The credit rating of the main Sponsor(s), if available			
Is the rating of the main sponsor Baa3 or superior? ²	Guidance note: refer to the footnote	Yes	No
Has the sponsor done similar projects in the past? ³	Refer to footnote for Guidance Note	Yes	No
Has the sponsor undertaken any project financed by any international DFI? ⁴	Refer to footnote for Guidance Note	Yes	No
Has the KYC on the sponsors been completed? ⁵	Guidance note: refer to the footnote	Yes	No
Has there been any red flag identified during the KYC exercise? ⁶	Guidance note: refer to the footnote	Yes	No
Is the project expected to have a bankable concession with guaranteed capacity payment or equivalent? ⁷	Guidance note: refer to the footnote	Yes	No
Will the obligations of the main concession counterparty (e.g., a power purchaser or a road authority) backstopped by the government? ⁸	Guidance note: refer to the footnote	Yes	No
Have the sponsor identified other co-financiers?	Guidance note: If the answer is "No" then receive clarity before IC1.	Yes	No
Are these co-financiers of repute?	Guidance note: If the answer is "No", then bring reputed co-lenders prior to IC2.	Yes	No
Remarks & Recommendation:			

¹ If the country rating is worse than B3, then discuss with RMD before proceeding

² If the Answer is "No", then the sponsor should provide an acceptable LC equivalent to their equity commitment or alternatively, inject the entire equity prior to the first drawdown of the senior debt.

³ If the answer is "No", then evaluate their experience in other sectors and assess accordingly

⁴ If the answer is "No", then counsel the client on the international term finance process and requirement upfront

⁵ Formal KYC clearance will be needed for IC approvals. For the purpose of LOI issuance only, formal KYC clearance will not be necessary but reasonable desktop research by the business team should suffice.

⁶ If the answer is "Yes", disengage unless and until the issue is fully resolved

⁷ If the answer is "No", then do not engage unless under acceptable parent support

⁸ If the answer is "No", then do not engage unless the power purchaser is bankable or under acceptable sponsor support.

TARGET MARKET SHEET: SEA PORTS AND AIRPORTS

Parameter	Information / Note / Outcome		
Name of the Project			
Country of the Project			
Country Rating			
Is the Country Rating B3 or superior? ¹	Guidance note: refer to the footnote	Yes	No
The credit rating of the main Sponsor(s), if available			
Is the rating of the main sponsor Baa3 or superior? ²	Guidance note: refer to the footnote	Yes	No
Has the sponsor done similar projects in the past? ³	Refer to footnote for Guidance Note	Yes	No
Has the sponsor undertaken any project financed by any international DFI? ⁴	Refer to footnote for Guidance Note	Yes	No
Has the KYC on the sponsors been completed? ⁵	Guidance note: refer to the footnote	Yes	No
Has there been any red flag identified during the KYC exercise? ⁶	Guidance note: refer to the footnote	Yes	No
Is the project expected to have a bankable concession agreement? ⁷	Guidance note: refer to the footnote	Yes	No
Does the sponsor have an extensive traffic study? ⁸	Guidance note: refer to the footnote	Yes	No
Is the traffic expected to be adequate for the project? ⁹	Guidance note: refer to the footnote	Yes	No
Have the sponsor identified other co-financiers?	Guidance note: If the answer is “No” then receive clarity prior to IC1.	Yes	No
Are these co-financiers of repute?	Guidance note: If the answer is “No”, then bring reputed co-lenders prior to IC2.	Yes	No
Remarks & Recommendation:			

¹ If the country rating is worse than B3, then discuss with RMD before proceeding

² If the Answer is “No”, then the sponsor should provide an acceptable LC equivalent to their equity commitment or alternatively, inject the entire equity prior to the first drawdown of the senior debt.

³ If the answer is “No”, then evaluate their experience in other sectors and assess accordingly

⁴ If the answer is “No”, then discuss with the client on the international term finance process and requirement upfront

⁵ Formal KYC clearance will be needed for IC approvals. For the purpose of LOI issuance only, formal KYC clearance will not be necessary but reasonable desktop research by the business team should suffice.

⁶ If the answer is “Yes”, disengage unless and until the issue is fully resolved

⁷ If the answer is “No”, then do not engage unless under acceptable parent support

⁸ If the answer is “No”, then do not engage unless the sponsor agrees to such studies before the due diligence is completed.

⁹ If the answer is “No”, then explore the project provided the traffic risk is allocated to the state (via state guarantee or equivalent instrument)

TARGET MARKET SHEET: TOLL ROADS AND BRIDGES

Parameter	Information / Note / Outcome		
Name of the Project			
Country of the Project			
Country Rating			
Is the Country Rating B3 or superior? ¹	Guidance note: refer to the footnote	Yes	No
The credit rating of the main Sponsor(s), if available			
Is the rating of the main sponsor Baa3 or superior? ²	Guidance note: refer to the footnote	Yes	No
Has the sponsor done similar projects in the past? ³	Refer to footnote for Guidance Note	Yes	No
Has the sponsor undertaken any project financed by any international DFI? ⁴	Refer to footnote for Guidance Note	Yes	No
Has the KYC on the sponsors been completed? ⁵	Guidance note: refer to the footnote	Yes	No
Has there been any red flag identified during the KYC exercise? ⁶	Guidance note: refer to the footnote	Yes	No
Is the project expected to have a bankable concession agreement with guaranteed capacity payment or equivalent? ⁷	Guidance note: refer to the footnote	Yes	No
Is traffic/revenue risk largely allocated to the state? ⁸	Guidance note: refer to the footnote	Yes	No
Does the sponsor have an extensive traffic study? ⁹	Guidance note: refer to the footnote	Yes	No
Have the sponsor identified other co-financiers?	Guidance note: If the answer is “No” then receive clarity prior to IC1.	Yes	No
Are these co-financiers of repute?	Guidance note: If the answer is “No”, then bring reputed co-lenders prior to IC2.	Yes	No
Remarks & Recommendation:			

¹ If the country rating is worse than B3, then discuss with RMD before proceeding

² If the Answer is “No”, then the sponsor should provide an acceptable LC equivalent to their equity commitment or alternatively, inject the entire equity prior to the first drawdown of the senior debt.

³ If the answer is “No”, then evaluate their experience in other sectors and assess accordingly

⁴ If the answer is “No”, then discuss with the client on the international term finance process and requirement upfront

⁵ Formal KYC clearance will be needed for IC approvals. For the purpose of LOI issuance only, formal KYC clearance will not be necessary but reasonable desktop research by the business team should suffice.

⁶ If the answer is “Yes”, disengage unless and until the issue is fully resolved

⁷ If the answer is “No”, then do not engage unless under acceptable parent support

⁸ If the answer is “No”, then do not expand dialogue unless the state counterparty is highly bankable and state backstop is deemed unnecessary. In any case, if the answer is “No” then prior discussion has to be held with RMD before making much progress.

⁹ If the answer is “No”, then do not engage unless the sponsor agrees to such studies before the due diligence is completed.