



Overseas Private Investment Corporation

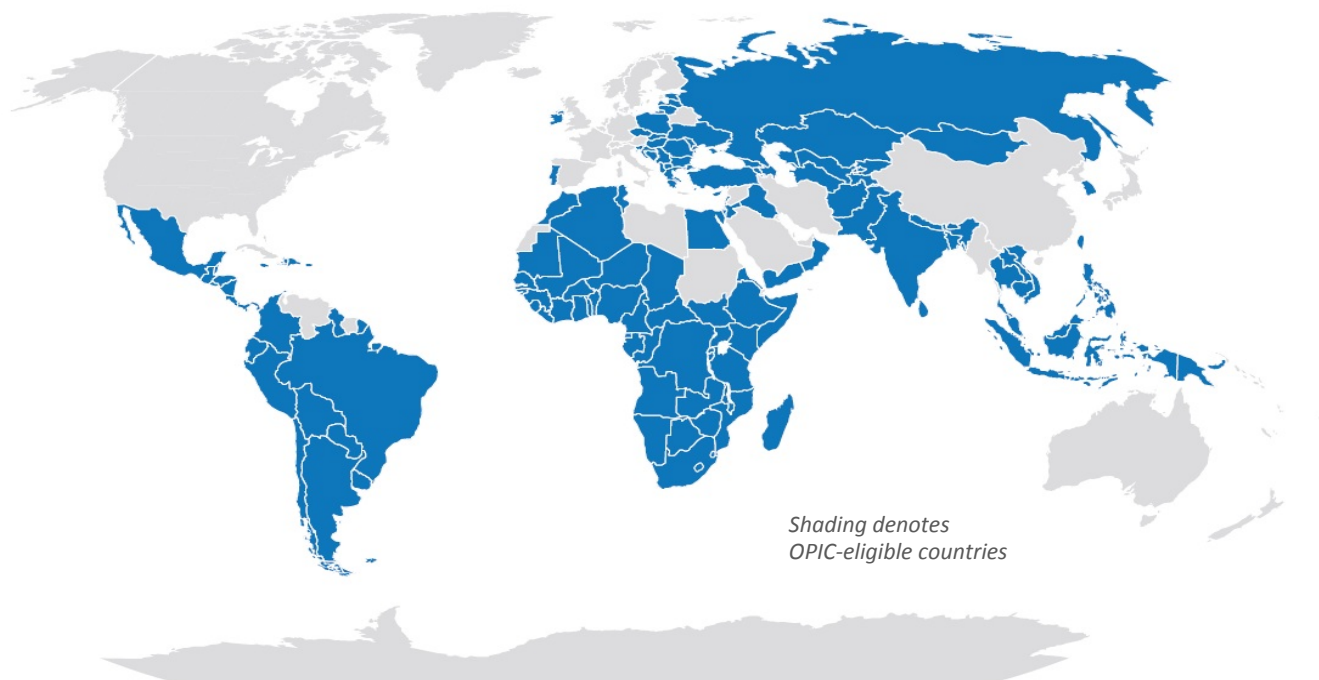
*Bilateral/Multilateral Private Sector
Financing Workshop*

Brian O'Hanlon

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OPIC Background

As the U.S. Government's development finance institution, OPIC mobilizes U. S. private capital to help solve critical development challenges and in doing so, advances U.S. foreign policy.



OPIC currently manages a \$18 B portfolio of projects in 100 countries and operates on a self-sustaining basis at no net cost to the American taxpayer.

Our Solutions

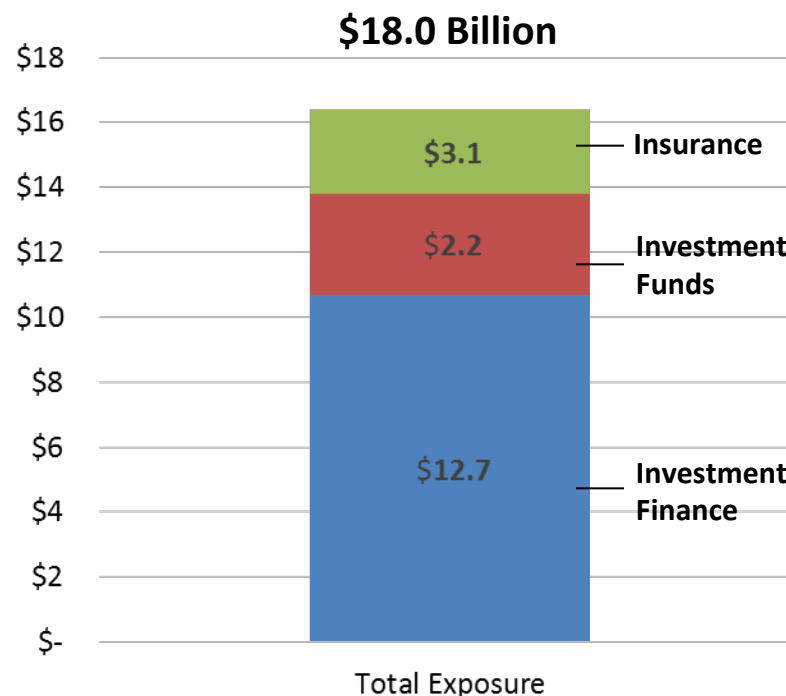
OPIC offers innovative financial solutions to support private investors including debt financing, insurance, and support for private equity investment funds.

Products

- **Investment Finance**
 - Limited recourse, long-term finance for private sector, commercial projects
 - Loan amounts up to \$250M per project
 - Specific programs for providing finance to small-and-medium-sized enterprises
- **Political Risk Insurance**
 - Protection against currency inconvertibility, expropriation and political violence, including terrorism
 - Policy coverage up to \$250M per project, up to 20 year term
 - Fixed premium, cancellable only by insured
- **Investment Funds**
 - Senior debt for private equity funds selected by competitive process
 - Investment decisions made independently by selected fund managers
 - Provide up to \$250M with bullet repayment, zero coupon structure

Current Portfolio*

Based on a \$29B Statutory Capacity



* as of September 30, 2014

Why OPIC?

Unparalleled experience and commitment to renewable energy in emerging markets

> Nimble

- Since prioritizing renewable energy, our portfolio has grown nearly 45-fold from \$27 million in 2007 to nearly a billion in annual commitments for each of the past four years.

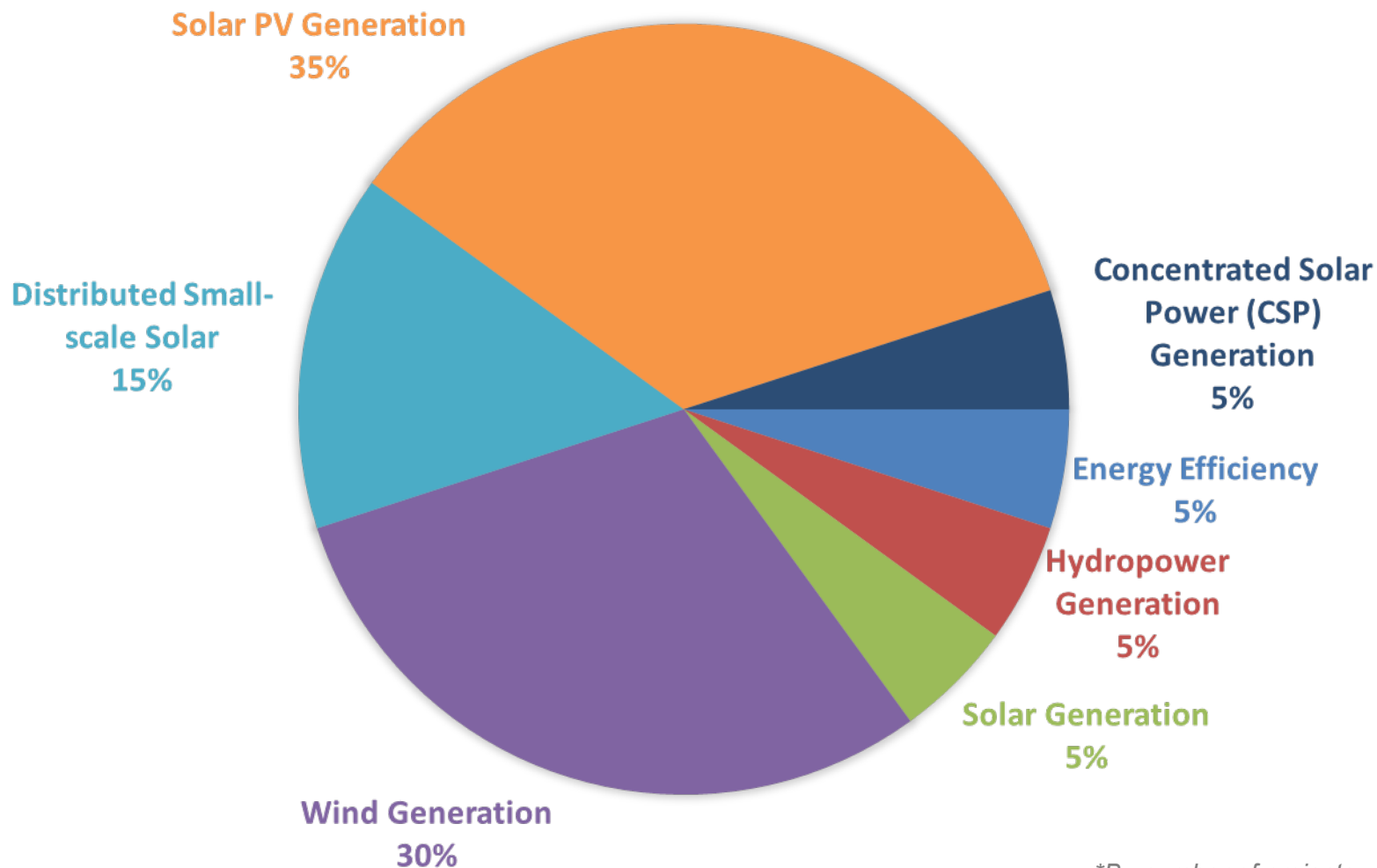
> Specialized

- Dedicated team focused solely on renewable energy projects. In-depth experience with renewable energy across every department at OPIC.

> Innovative

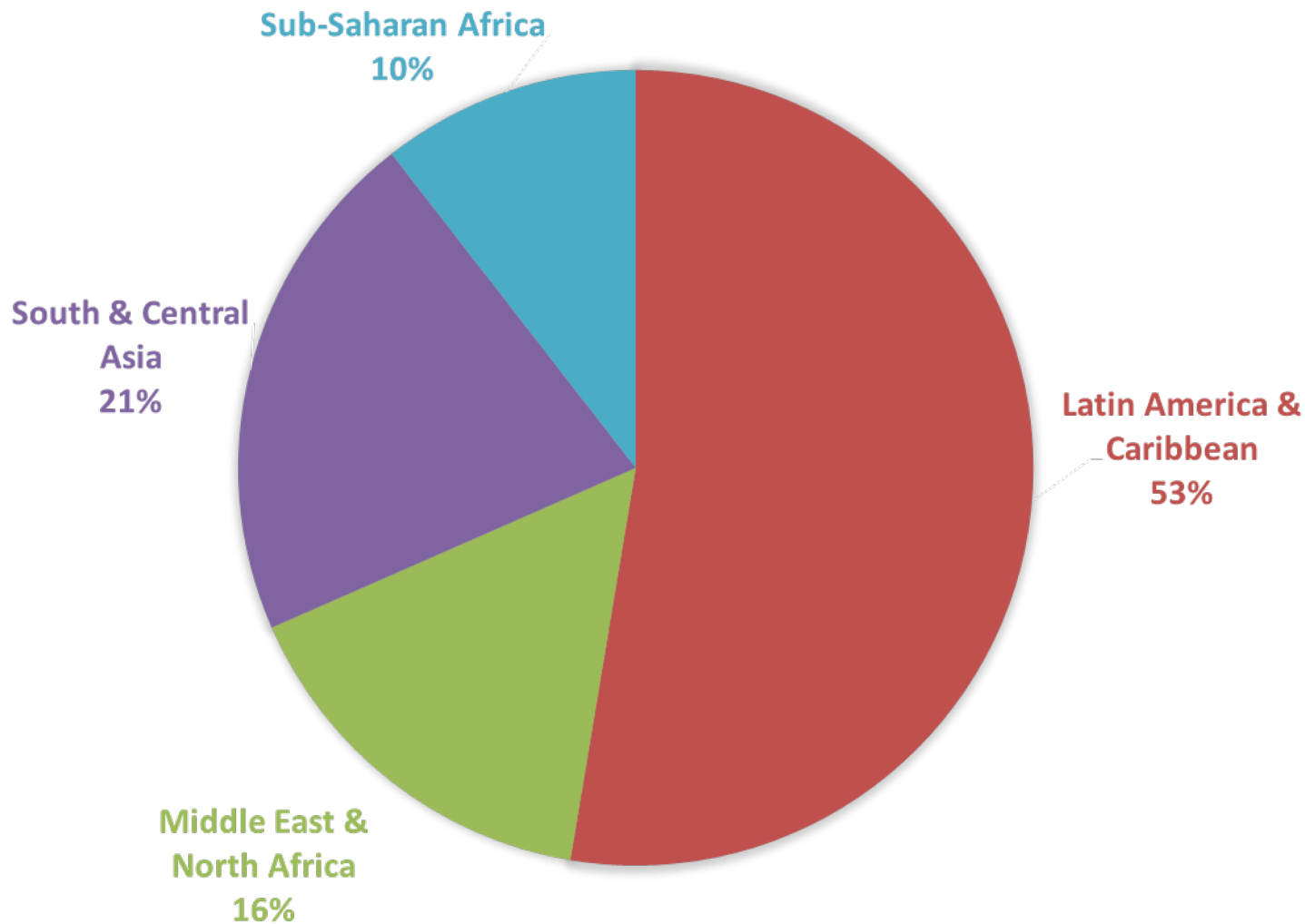
- From merchant solar to political risk insurance for carbon credits to off- and micro-grid, OPIC continues to be at the forefront of renewable energy solutions in some of the world's most challenging markets.

Renewable Energy Commitments by Technology



**By number of projects – FY14*

Renewable Energy Commitments by Region



**By number of projects – FY14*

Terms for OPIC Financing

- Long-term financing (tenors from 3 to 20 years)
- Fixed interest rate available
- Accepts foreign collateral plus “project completion support”
- Finance from 50 to 75% of the total project cost
- Loans from \$350,000 to \$250 million



What is Political Risk?

- The threat that political changes may affect the *profitability* or *viability* of an investment.

- Three Major Categories:
 - **Inconvertibility** (conversion & transfer)
 - **Expropriation** (confiscation & nationalization)
 - **Political Violence** (assets & business income loss)

U.S. Connections in OPIC-Supported Projects

OPIC policy requires that finance and direct insurance projects have a meaningful connection to the U.S. private sector.

How Does OPIC Define U.S.?

Finance

- A U.S.-organized entity generally must be at least 25% U.S.-owned.
- A foreign organized entity generally must be at least majority U.S.-owned.

Insurance

- U.S. Citizens
- U.S.-organized corporations or other associations more than 50% beneficially owned by U.S. citizens
- Foreign corporations more than 95% owned by U.S. entities or citizens (other foreign entities must be 100% U.S. owned)

How Does OPIC Define U.S. Small Business?

- For OPIC to finance a project with a direct loan, the US involvement must come from US small business. A “small” business includes: a business with annual revenues during the last fiscal year of less than \$400M; entities/individuals without revenues, net worth of less than \$100M.
- Consistent with the U.S. Small Business Administration, OPIC also considers a business with 500 or fewer employees as “small.”

Financing – what is needed to qualify

- **A solid business plan!**
- Financially and commercially-sound project producing adequate cash flow to:
 - Pay all operational costs
 - Service all debt
 - Provide owners with adequate return on their investment

Other Attributes of Bankable Projects

- ✓ Experienced and committed **management** team
- ✓ Proven **technology** and creditworthy EPC contractor with a strong track record
- ✓ **Availability** of renewable resource
- ✓ A financial model showing strong cash flows and maintenance of minimum **DSCRs**

Typical Components of a Financing Package

- Feasibility Studies
- Business Plan
- Draft Project Agreements
 - PPAs
 - Sovereign Guaranty (if applicable)
 - EPC and O&M Agreements
- Environmental Impact Assessments

Contact OPIC

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