OVERSEAS PRIVATE INVESTMENT CORPORATION

OPIC Products

Office of External Affairs
1100 New York Avenue, NW
Washington, DC 20527
202-336-8400
www.opic.gov

Overseas Private Investment Corporation Investment Funds Program

Working in partnership with private capital, OPIC-supported Funds make direct equity and equity-related investments in emerging market economies. Working in partnership with the U.S. Congress and the Administration, OPIC-supported Funds have helped to bring economic development and a better standard of living to people in more than 30 developing countries.

Supporting U.S. Foreign Policy Objectives

First begun in 1987 as a Reagan Administration foreign policy initiative, the Funds help mobilize private capital in support of U.S. foreign policy objectives in an effort to encourage political and economic stability and provide opportunities for U. S. companies. The Funds catalyze private investment in developing countries, improve people's lives, and minimize the demand for direct foreign aid. The Funds provide long-term growth capital for regions of special interest to the U.S. ,such as Africa and the former Soviet bloc, that are attempting more fully to embrace democracy and integrate into the world market economy.

Developing New Markets for American Businesses

OPIC Funds support the development of many important "frontier" markets, facilitating early access to new consumers while paving the way for further investment by U.S. companies. The Funds are a critical source of capital and financial expertise for small and medium-sized U.S. companies seeking to enter new emerging markets.

Supporting Sustainable Development

OPIC Funds support only environmentally responsible projects while also ensuring that the investments comply with strict worker rights criteria. A number of OPIC Funds are specifically designed to support environmental projects. Like OPIC's other programs, the Funds program utilizes a long-term investment strategy that helps bring predictability and stability to emerging markets.

How the Funds Work

The Funds are structured, like all OPIC programs, to cost the U.S. taxpayer nothing. Commercially based fees and profit participation paid to OPIC are designed to cover fully the cost of the program. OPIC must be repaid in full before equity investors receive returns of capital or any profit. OPIC-supported Funds are organized and structured similarly to U.S.-based private equity investment entities, often as limited partnerships or limited liability companies. Experienced fund managers, who are selected following an open and competitive process, raise the Funds' equity capital from the private sector and manage the Funds' investment portfolio. OPIC leverages the private equity capital by lending or guaranteeing long-term debt to the Funds. OPIC minimizes risk to the Government through portfolio diversification and monitoring of on-going fund investment activity and performance. Now, more than ever, OPIC makes the difference by mobilizing and facilitating the participation of private capital in developing markets of high U.S. foreign policy interest.

> *..."The basic concept of the Overseas Private Investment Corporation is to involve American businesses more broadly and deeply in the economic development process. This means finding a way in the developing countries to put to work not only an expanding flow of American capital but, even more important, in the long run, the know-how, modern management methods, up-to-date science and technology, and individual entrepreneurial initiatives which help develop and build our own powerful economy."*
>
> *Senator Jacob K. Javits, Hearing of the House of Representatives Committee on Foreign Affairs, Subcommittee on Foreign Economic Policy, August 12, 1969.*

OPIC is a U.S. government agency that helps U.S. businesses invest overseas, fosters economic development in new and emerging markets, complements the private sector in managing risks associated with foreign direct investment, and supports U.S. foreign policy. Because OPIC charges market-based fees for its products, it operates on a self-sustaining basis at no net cost to taxpayers. Since 1971, OPIC has supported over $145 billion worth of investments that will generate $65 billion in U.S. exports and create more than 254,000 American jobs. For general information, contact OPIC InfoLine at (202) 336-8799. For information via the Internet and to subscribe to OPIC News, please go to http://www.opic.gov..

OPIC Highlights is published by Overseas Private Investment Corporation 1100 New York Avenue, N.W. Washington, D.C. 20527
General information: OPIC InfoLine: 202-336-8799. Information via the Internet: http://www.opic.gov.

MAY 2003