



Since 2008, OPIC has mobilized over \$600 million of total investment in renewable resources, including financing and insurance to support projects in renewable energy, energy efficiency, and water treatment. This year, OPIC launched several new products to advance renewable resources financing:

1. Insurance Coverage for Carbon Credit and CDM Projects

OPIC has a keen interest in supporting U.S. investors involved in the development of Clean Development Mechanism (“CDM”) projects and the trading of carbon credits derived from CDM projects. A country that has signed onto the Kyoto Protocol must establish a designated national authority (“DNA”), and a body of rules and regulations to implement the terms of the Kyoto Protocol.

To support U.S. investment and participation in CDM projects, OPIC has developed insurance coverage geared towards mitigating host country legal and regulatory risks facing U.S. investors participating in CDM projects. OPIC Insurance is able to provide highly tailored expropriation coverage that mitigates the risk of a U.S. investor losing its equity, debt or property resulting from the host government:

- Breaching an agreement/concession/contract with the investor
- Unlawfully revoking or denying Letters of Approval issued by the DNA
- Imposing undue burdens on carbon credit projects such as a confiscatory tax on the sale or transfer of the environmental benefits or carbon credits derived from carbon credit projects
- Restricting or prohibiting the transfer of the Certified Emissions Reductions (“CERs”)
- Denying the investor an adequate and effective forum to review the legality under applicable laws of a breach of an agreement with the host government
- Failing to pay an arbitral award to the investor subsequent to a final, binding and non-appealable judicial determination that the host government is at fault for breaching the contract with the investor

2. Financing Energy Efficiency Investments

a.) Energy Efficiency Sub Debt

OPIC is able to provide subordinated debt to U.S.-owned companies seeking to make energy efficiency investments by: (1) financing the engineering and architectural advisory services for energy efficient measures that can be implemented, and (2) financing 100% of the improvements. Similar to financing by an Energy Services Company (“ESCO”), the project company will repay the subordinated debt from cash flow generated by the cost-savings to be achieved over the long-term. OPIC expects to offer Energy Efficiency sub-debt to all projects for which it provides financing or political risk insurance, whether or not the projects are in the clean energy sector.

b.) ESCO Financing

OPIC financing can support U.S. ESCO’s, or U.S. financial intermediaries working with ESCOs so that they may provide financing solutions to their downstream customers interested in the ESCOs’ energy efficiency equipment and services. The OPIC financing is repaid by the ESCO or the financial intermediary via the energy services contract between the ESCO and the customer and repaid with the cash flow generated by the energy cost savings.

3. Leasing for Clean Tech Equipment

Since renewable energy decision-making is often based upon capital considerations and payback periods, leasing options for buyers open up additional markets and customer bases for U.S. equipment providers. OPIC is able to offer a standardized loan structure providing financing to leasing companies seeking to arrange leases for renewable energy and clean tech equipment from U.S. vendors.

To discuss specific projects or learn more about OPIC, please email info@opic.gov.



As the U.S. Government’s premier development finance institution, OPIC mobilizes the participation of U. S. private capital to support sustainable economic development in emerging markets.

OPIC supports private investment in over 150 countries



OPIC currently manages a \$14B portfolio of projects in over 150 countries and operates on a self-sustaining basis at no net cost to the American taxpayer. Since its establishment in 1971, OPIC has financed more than 4,000 projects providing \$188B of investment in emerging markets. OPIC-supported transactions are projected to generate \$74B in U.S. exports and support over 274,000 U.S. jobs. By leveraging economically sound projects and charging market-based fees, OPIC catalyzes but does not compete with the private sector.

OPIC Transaction Profile

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| <ul style="list-style-type: none"> ■ Political Risk Insurance <ul style="list-style-type: none"> – 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 | <ul style="list-style-type: none"> ■ Investment Finance <ul style="list-style-type: none"> – Limited recourse, long-term finance for private sector, commercial projects – Loan amounts up to \$250M per project (tenor commensurate with project) – Specific programs for providing finance to small- and-medium-sized enterprises | <ul style="list-style-type: none"> ■ Investment Funds <ul style="list-style-type: none"> – Senior debt for private equity funds selected by competitive, open and full process – Investment decisions made independently by selected fund managers – Provide up to \$250M with bullet repayment, zero coupon structure |
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OPIC seeks to continuously develop new products, services and initiatives and provide the optimal combination of finance and risk mitigation tools to support private investment.

To be eligible for OPIC financing, applicants must have U.S. ownership (25% of project), have a commercially viable business plan, a successful track record, and be less than 50% government owned. Additionally, OPIC-supported projects should exhibit positive developmental and foreign policy impacts on the host country, cause no loss of U.S. jobs or adverse impact on the U.S. economy, have no human rights violations, and be consistent with international environmental standards.

Agency Profile

- **Employees:** Over 200
- **Financial Information:** \$14B portfolio
 - \$9.3B Investment Finance
 - \$2.3B Insurance
 - \$2.4B Investment Funds
- **Management:** Elizabeth Littlefield, CEO

OPIC has a history of innovation, flexibility, and responsiveness in mobilizing private investment to achieve U.S. development objectives. OPIC invented political risk insurance in 1971, developed a range of finance solutions, and helped to pioneer emerging markets private equity. OPIC actively partners with both private and public financial institutions, U.S. and other government institutions, as well as other stakeholders.

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