

# U.S. Overseas Private Investment Corporation

## Announcement of Global Renewable Resources Call for Proposals



**The Overseas Private Investment Corporation (OPIC) intends to mobilize nearly \$1 billion of financing in the next 2 years to assist developing nations combat climate change.** At the World Climate Summit in Cancun, OPIC President and CEO Elizabeth Littlefield announced a call for proposals from qualified private equity fund managers for the formation and management of one or more investment funds that plan to invest in renewable resource projects in OPIC-eligible countries. OPIC will provide financing ranging between \$35 million and \$150 million in total capital for each selected fund, which would translate into a minimum total fund size of about \$100 million.

**OPIC seeks to address an important policy objective of the U.S. government to promote the global renewable energy and energy efficiency sectors,** as well as to promote sustainable utilization of natural resources such as water, land, and forests.

Additional information on the renewable resources call for proposals:

- **Total Investment Mobilized:** \$900 million - \$1.2 billion
- **OPIC Capital Committed:** \$300 - \$400 million
- **Private Capital Mobilized:** \$600 - \$800 million (OPIC supplies capital at a maximum 1:2 leverage to equity ratio)
- **Targeted Sectors:** Renewable Energy, including solar thermal and solar photovoltaic; wind; geothermal; tidal; hydro; waste and biomass energy efficiency products, systems and equipment; emissions control and treatment; and waste management. Investments in infrastructure for agriculture, land and water could include: efficient irrigation; cold storage; transportation; desalinization or other water treatment; sustainable forestry; natural resource preservation; and forest rehabilitation.

*The Call will be open from December 15, 2010, through mid-February, 2011. Please visit OPIC's website, [www.opic.gov](http://www.opic.gov), to obtain further details about the Call and the process to submit fund proposals.*

**OPIC-supported funds are among the largest providers of private equity capital to emerging markets.** Since the inception of its investment funds program in 1987, OPIC's funding commitments have totaled \$4 billion to more than 50 private equity funds. These funds in turn have invested nearly \$5 billion in over 470 privately-owned and managed companies globally. OPIC's credit support of funds creates a multiplier effect as new capital attracts additional investment and financing in emerging markets.

**Since 2008, OPIC has mobilized over \$600 million of total investment in renewable resources,** including financing and insuring projects in renewable energy, energy efficiency, and water treatment. This year, OPIC launched 3 new products to advance renewable resources financing:

- Insurance coverage for carbon credits and CDM projects
- Energy efficiency subordinated debt and energy services company (ESCO) financing
- Financing for clean technology equipment leasing

*To discuss specific projects or learn more about OPIC, please email [info@opic.gov](mailto: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**

- |   |   |  |
|---|---|--|
| <ul style="list-style-type: none"> <li>■ <b>Political Risk Insurance</b> <ul style="list-style-type: none"> <li>– Protection against currency Inconvertibility, expropriation, and political violence, including terrorism</li> <li>– Policy coverage up to \$250M per project, up to 20 year term</li> <li>– Fixed premium, cancellable only by insured</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>■ <b>Investment Finance</b> <ul style="list-style-type: none"> <li>– Limited recourse, long-term finance for private sector, commercial projects</li> <li>– Loan amounts up to \$250M per project (tenor commensurate with project)</li> <li>– Specific programs for providing finance to small- and-medium-sized enterprises</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>■ <b>Investment Funds</b> <ul style="list-style-type: none"> <li>– Senior debt for private equity funds selected by competitive, open and full process</li> <li>– Investment decisions made independently by selected fund managers</li> <li>– Provide up to \$250M with bullet repayment, zero coupon structure</li> </ul> </li> </ul> |
|---|---|--|

*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.