
UPDATE

FACT SHEET

Overseas Private Investment Corporation (OPIC)

GREENHOUSE GAS / CLEAN ENERGY INITIATIVE

March 1, 2009

Demonstrating the commitment of the Overseas Private Investment Corporation (OPIC) to promoting a better worldwide environment while serving its mandate to promote U.S. private capital investment in developing countries, in June 2007 OPIC initiated a significant four-part plan to address the issue of Climate Change and increase support for renewable energy and energy efficiency improvements.

1. Reduce Portfolio Emissions:

OPIC committed to reducing the greenhouse gas (GHG) emissions in OPIC-supported projects by 30 percent over a ten-year period and to shift investment focus to renewable and energy efficient projects.

For the purpose of tracking progress in achieving the 30 percent reduction goal, in 2008 OPIC procured the services of an outside auditor (Pace Global Energy Services LLC) to develop a baseline GHG inventory of existing OPIC supported projects. The organizational boundary for the inventory was defined as 100 percent of the direct, on-site emissions from all projects within OPIC's active portfolio as of June 30, 2008. The auditor's report is complete and was reported to Congress as part of OPIC's Annual Policy Report for FY 2008..

2. Cap New Transactional Emissions:

To meet the portfolio reduction target, OPIC established an annual emissions cap for all new, OPIC-supported projects to which OPIC could provide a commitment in a given year. The annual emissions cap is equal to 3 million tonnes CO_{2eq}.

On a transactional basis OPIC is also considering reduction and control alternatives for all projects, including opportunities to enhance energy and operational efficiencies and to protect and enhance sinks for greenhouse gases, such as natural forests. Projects in energy intensive sectors are required to meet energy efficiency guidelines and benchmarks.

3. Support Energy Efficiency, Renewable & Clean Technology

In FY 2008 OPIC Management renewed its commitment to work with the private sector to encourage and support renewable energy projects and projects that incorporate energy efficiency technology. As part of that commitment, OPIC dedicated personnel to increase market outreach to the renewable and clean energy business community for development of new projects.

In January 2008, OPIC formed a new unit within its primary small business group to focus on clean projects, the Renewable Energy and Sustainable Development Finance Group in the Small and Medium Enterprise Finance Department. The group consists of two Senior Managers to proactively identify renewable energy and sustainable development transactions in emerging markets, develop a program that facilitates such investments that might not otherwise proceed without OPIC project finance, and develop in-house expertise in key technologies and industry issues to advance OPIC's support of and presence in U.S. small business growth in the sector overseas.

On September 18, 2008, OPIC's Board of Directors approved \$505 million in financing for six new private equity funds designed to invest in clean and renewable energy projects in emerging markets worldwide. The funds will mobilize a total of \$1.6 billion in capital for the sector, representing an historic commitment by OPIC to renewable energy.

For several emerging markets, these funds will provide the first significant pool of capital available for investment in clean and renewable energy projects. As such they represent an important breakthrough for renewable energy globally—a step forward from general agreement on the need to develop more renewable energy sources, to the actual provision of capital to make it happen.

4. Enhanced Accounting and Transparency

Beginning in the FY 2008 Annual Policy Report, OPIC expanded transparency of its portfolio by (1) annual reporting of the annual emissions for each active major GHG emitting project being supported by OPIC; and (2) projected GHG emissions for each new project receiving an OPIC commitment of support during that year. OPIC previously reported only the aggregate emissions of projects in its energy generation portfolio. The reporting includes detailed emission calculation methodology used by OPIC's external auditors.

Effective February 2009, OPIC will also disclose for public review and comment an environment assessment for all projects under consideration for OPIC support that are projected to emit greater than 100,000 tons (short, U.S.) of CO₂eq/year.

OPIC has also expanded annual reporting to identify investments supported by OPIC in renewable energy, energy efficiency improvement and environmentally beneficial products and services.