



# OPIC Highlights

## OPIC and Renewable Energy

### OPIC Supports Renewable Energy Investment Funds for Emerging Markets Worldwide

In September 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. The summary below provides detail on four of the approved funds.

#### FE Global Clean Energy Services Fund IV

OPIC is providing up to \$55 million in financing to the fund, which will invest in renewable energy and energy-efficient emission reduction projects in Asia, Central and Eastern Europe, and Latin America. OPIC selected as fund manager GEM Management IV Corp., an affiliate of FE Clean Energy Group, Inc., a leading private equity fund management firm focused on renewable energy and energy efficiency investments in emerging markets. These investments are expected to generate tradable carbon credits for Greenhouse Gas emission reductions. The fund has a target capitalization of \$250 million.

#### Middle East & Asia Capital Partners Clean Energy Fund II

OPIC is providing up to \$50 million in financing to the fund, which will invest in a wide spectrum of renewable energy projects through-

out Asia, with an emphasis on India, Indonesia, Malaysia, Pakistan, Philippines, Thailand and Vietnam. It will invest in equity, convertible debt and mezzanine debt in projects - wind farms and geothermal production, for example - as well as in manufacturing and service companies that serve the renewable and biofuels sectors. OPIC selected as fund manager Middle East & Asia Capital Partners Pte., Ltd (MEACP), a private equity platform connecting the Middle East and Asia. The fund has a target capitalization of \$150 million. The fund will be raised in parallel with the targeted \$250 million MEACP Clean Energy Fund, which will invest in parallel with the fund in investments eligible for OPIC support.

#### GEF South Asia Clean Energy Fund

OPIC is providing up to \$100 million in financing to the fund, which will invest in companies and projects that support the need for cleaner forms of energy in the region-including those utilizing solar, wind, hydropower, biofuel and natural gas. The fund will also invest in technologies that promote: energy efficiency; improved batteries and storage, clean transportation, clean water systems, and environmental and energy efficient buildings. OPIC selected as fund manager GEF Management Corporation, which has previously

*(Continued on back)*

### OPIC Supports Sustainable Development

OPIC recognizes that sound development supports both economic growth and environmental sustainability.

In 2008, OPIC's Small and Medium Finance Department implemented an outreach program that resulted in the agency's consideration of more than 100 proposals for support of projects totaling \$2 billion in every conceivable sub-sector of renewable energy and sustainable development, including biomass, waste to energy, solar, hydro, geothermal, wind, reforestation, water purification, green housing, clean fuels and more. While OPIC has financed hydro, geothermal, clean water, and other sustainable development projects, recent commitments include a loan for a 2 MW photovoltaic power project in India, a loan for a project in Liberia to remove fallow rubber trees and utilize the wood chips for biomass power plants, a loan to a non-profit to expand its capital base to lend to small clean energy projects in emerging markets worldwide, a loan for the development of a compact fluorescent lighting manufacturing plant, and a loan for the construction of 50 "green" residential homes. A number of other renewable energy and sustainable finance projects are in the due diligence phase including a biomass power project, a geothermal project, a biofuel production project and solar panel installations. OPIC looks forward to continuing to expand its debt portfolio of renewable energy and partnering with investors to support long term sustainable development in emerging markets.

*(Funds continued)*

managed two successful OPIC Funds, Global Environment Emerging Markets Fund, L.P. and Global Environment Emerging Markets Fund II, L.P. The fund has a target capitalization of \$300 million.

### **US Renewables Group**

OPIC is providing up to \$100 million of capital to be co-invested in renewable power generation, clean fuels and renewable energy value-chain investments in emerging markets worldwide. US Renewables Group is the fund manager, and OPIC capital will be managed in connection with the USRG Power and Biofuels Fund III. The fund will target investments in asset-focused, renewable energy projects, or platform companies that are projected to have strong cash flows within two years and have low technology risk. The fund has a target capitalization of \$300 million.

For more information, visit [www.opic.gov/investment/index.asp](http://www.opic.gov/investment/index.asp)

Since the mid-1990s, OPIC has provided over \$1 billion in political risk insurance support to approximately twenty renewable energy projects in emerging markets. OPIC Insurance has issued coverage for twelve hydroelectric facilities in countries such as Brazil, Costa Rica, India, Serbia and the Phillipines. Political risk insurance has also helped support four geothermal power plants and two wind energy projects.

### **OPIC Insurance Supports Construction of Hydro Power Plant in Sri Lanka**

OPIC is providing \$1.4 million in political risk insurance to support construction of a hydroelectric power plant in Sri Lanka that will help the country meet growing demand for electricity and is consistent with the Sri Lankan government's effort to attract greater private investment in the power sector. Construction of this hydroelectric plant is not only expected to help Sri Lanka meet its growing demand for electricity, but will do so in an economically efficient and environmentally friendly way that illustrates the Sri Lankan government's success in attracting private sector investment to the industry.

### **OPIC Insurance Helps to Upgrade Hydroelectric Facilities in Colombia**

OPIC is insuring \$212 million in financing for a project to upgrade five power facilities in Colombia, which is significantly increasing that country's electricity generation and helping to open the government-controlled power company to equity investment by the private sector.

The \$212 million OPIC-insured facility, together with a \$38 million uninsured facility both arranged and underwritten by Citigroup, is provided to ISAGEN, a leading Colombian power company whose majority shareholder is the Colombian government. The loan is being used largely to help ISAGEN modernize and maintain its San Carlos, Jaguas and Termocentro facilities, rehabilitate the Calderas hydropower plant, and begin the construction of the Amoya power facility, enabling Colombia to increase its generating capacity and reduce power outages.



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 more than \$164 billion worth of investments that have generated over \$69 billion in U.S. exports and supported more than 264,000 American jobs. For more information please go to [www.opic.gov](http://www.opic.gov).