

U.S. Overseas Private Investment Corporation



Innovative Financial Intermediary Program

OPIC enhances ability to foster innovative lending & investing structures for SME market

Over its 40+ year history, OPIC has demonstrated its ability to respond to market demands that the private sector has been unable to support entirely on its own.

Political risk insurance, extended loan maturities, private equity funds, and creative financing structures such as non-bank financial intermediaries and microfinance institutions show OPIC's leading and adaptive approach to mobilizing private investment in developing markets.

As the U.S. Government's development financing institution, OPIC has helped to expand the access to capital for those developing economies, particularly in the SME sector.

Two-year, \$500 million pilot

With regulatory environments and market conditions continually changing, OPIC is increasingly being asked to back projects with atypical structures that do not fit squarely within either our traditional financing programs or our traditional investment funds program, although they contain elements typical of each one.

Typically, these projects propose to include both pooled capital, like an investment fund, and debt financing, like OPIC loans and guarantees. Many of these hybrid projects involve initiatives by financial intermediaries to provide lending to SMEs in developing countries. This includes projects that mobilize investors who seek to promote social and economic improvements in developing countries, as well as secure financial returns from their investments (sometimes called "impact investing").

To address this market-driven demand, OPIC has introduced the Innovative Financial Intermediary Program as a two-year, \$500 million pilot with the aim of expanding sources of capital flowing into developing economies, with a focus on SMEs.

The program supports financial intermediaries who will invest in enterprises in OPIC eligible countries where the investment vehicle is smaller in size than usually found in an OPIC private equity transaction, or where the investment vehicle deploys capital using debt or equity investments.

Establishing a new process allows OPIC to respond more effectively to these new structures while relying on the expertise and best practices within the organization's finance and investment funds functions.

Eligibility

Geographic Focus

Global, based on OPIC eligible countries

Geographic Focus How Sponsors Can Apply

OPIC will accept proposals on an ongoing basis and review them quarterly, with the assistance of an external investment advisor. Applications will be submitted at OPIC.gov and will be evaluated on a range of criteria including, but not limited to, track record and experience, investment thesis, management team, fund economics, investment structure and development impact.

Submissions Should Include

- ✓ Pitch book
- ✓ Response to the IFIP questionnaire

As with all OPIC projects, investments made through this program will be required to comply with OPIC's environmental, social, worker rights, and U.S. effects standards and criteria, as well as OPIC's U.S. investment eligibility requirements.

Once the program is launched publicly, more details will be available on OPIC.gov, including the application for submission and a point of contact for all inquiries.

IFIP will consider the following structures:	OPIC's Commitment Levels
Small equity funds (total capitalization up to \$50 million)	Up to 1/3 of total capital
Funds making both debt & equity investments	Up to \$50 million
Funds make senior debt investments	Up to \$50 million
Funds making both senior & subordinated debt investments	Up to \$50 million
Debt funds affiliated with Equity Fund or Asset Manager	Up to \$50 million
Greenfield non-bank financial intermediaries	Up to \$50 million

OPIC is the U.S. Government's development finance institution. It mobilizes private capital to help solve critical development challenges and in doing so, advances U.S. foreign policy. Because OPIC works with the U.S. private sector, it helps U.S. businesses gain footholds in emerging markets, catalyzing revenues, jobs and growth opportunities both at home and abroad. OPIC achieves its mission by providing investors with financing, guarantees, political risk insurance, and support for private equity investment funds.

Established as an agency of the U.S. Government in 1971, OPIC operates on a self-sustaining basis at no net cost to American taxpayers. OPIC services are available for new and expanding business enterprises in more than 150 countries worldwide.