Overseas Private Investment Corporation

Financing and Insuring Investment in Egypt and the MENA Region

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OPIC

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Our Organization

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

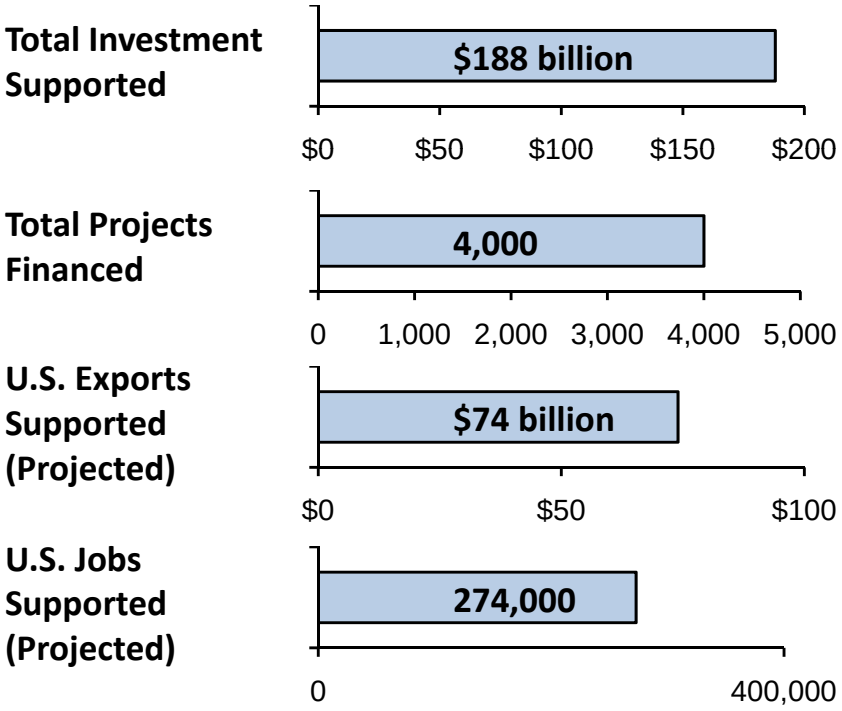
Shading denotes OPIC-eligible countries

OPIC currently manages a $13B portfolio of projects in over 150 countries and operates on a self-sustaining basis at no net cost to the American taxpayer.

Our Impact

Over the past 39 years OPIC has supported over $188 billion of investment in developing markets projected to support over 274,000 U.S. jobs and many more jobs in host countries

OPIC By the Numbers*



Success Stories

- **Egypt/Jordan:** up to $500 million for SME loan guarantees to local small businesses &micro enterprises

- **India:** $6 million loan to build a solar power plant

- **Afghanistan:** $31 million in financing for water, grape juice, soft drink and milk production and bottling

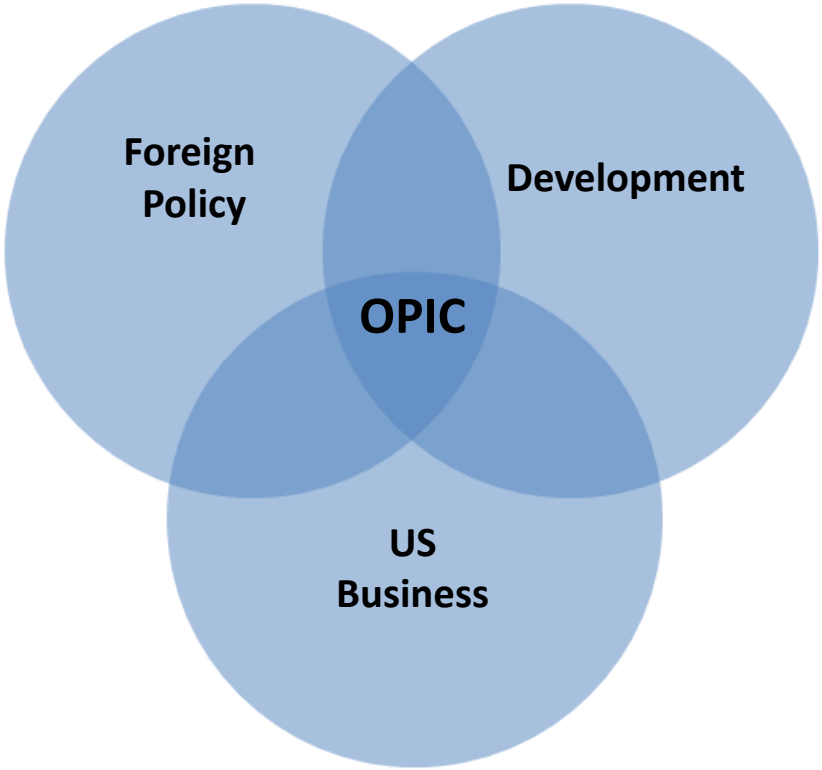
- **Ghana:** $30 million in financing for mortgage lending

*Since 1971

Administration Development Priorities

OPIC is uniquely positioned to support the administration's new development strategy

OPIC's Unique Position



Administration Priorities

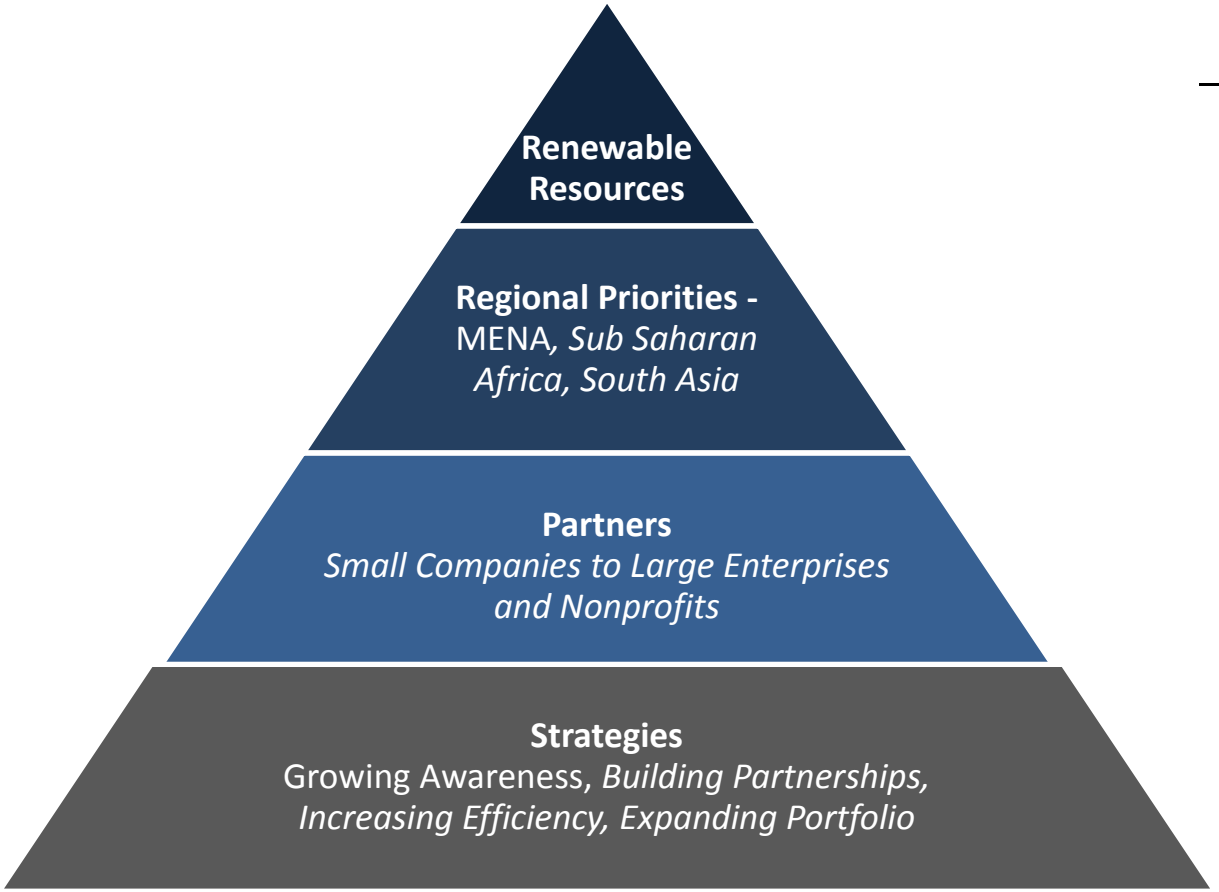
"We're changing how we define development…we need to harness all the tools at our disposal—from our diplomacy to our trade and investment policies."

~President Obama, 9/22/10

- **Supporting broad-based, sustainable economic growth**
- **Proactively targeting specific countries, regions, sectors, and technologies**
- **Mobilizing private sector investment**
- **Elevating development as a central pillar of national security policy**

OPIC's Strategic Priorities

OPIC: Financing solutions for sustainable prosperity



Example Initiatives

- ***8 Technology Access and Innovation Funds, including $500M Citadel fund, based in Cairo***
- ***New equity funds for Renewable Resources and Technology projects in the MENA region***
- ***Microfinance for laptops to children in the West Bank***
- ***Infrastructure focus on water, energy, housing , e.g., $200M financing of desalination project in Algeria***

Our Clients and Alliances

OPIC partners with other U.S. government agencies and international partners to provide financing and risk mitigation products to a wide range of clients

Current Clients

Multinationals and Small/Medium Businesses

Nonprofits and Impact Investors

Strategic Alliances

US Gov't	– Departments of State, Commerce, and Treasury – USAID & USTDA – Ex-Im Bank and SBA – MCC
Development Finance Institutions	– IFC and MIGA – Regional Development Banks (EBRD, IDB, ADB, EBRD) – Bilaterals (CDC, FMO, DEG, Proparco, DFID
Other Partners	– Chambers of Commerce – AmChams – NGOs – Financial Institutions

Our Policy Standards

Investors and project proposals must satisfy certain policy criteria to receive OPIC financing

Eligibility Criteria for Investors

To be eligible for OPIC financing, applicants must:

- ✓ Have a **commercially viable business plan** and successful track record
- ✓ Be **U.S. owned**
  - Loans: 25% U.S. ownership
  - Insurance: >50% U.S. ownership
  - Funds: managed by a U.S. manager or involve U.S. equity investment
- ✓ Maintain **private sector control** (<50% government ownership)

Policy Standards for Projects

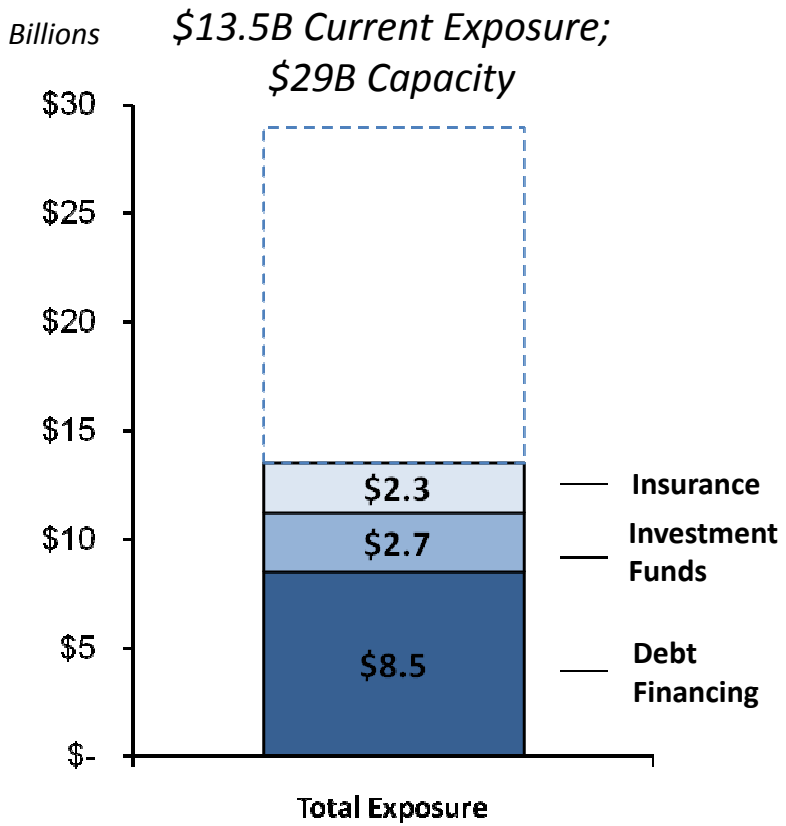
OPIC supported projects must:

- ✓ Contribute to **sustainable development** goals
- ✓ Be located in one of our **~150 eligible countries**
- ✓ Comply with international **environmental standards**
- ✓ Support international **human rights** and **worker rights** regulations
- ✓ Cause **no loss of U.S. jobs** or adverse impact on the U.S. economy

OPIC's Current Portfolio

OPIC offers innovative financial solutions to support private investors, including debt financing, insurance, and investment funds

Current Portfolio*



Products

- **Debt financing**
  - Large structured finance (e.g., transportation infrastructure), to small business loans
  - Up to $250M, fixed rate terms, up to 20 years
- **Insurance**
  - Coverage for expropriation, political violence, and currency inconvertibility
  - Other insurance including regulatory risk, carbon credits
- **Investment funds**
  - Debt that is matched by privately raised equity to support funds investing in emerging markets
- **Other financial products**
  - Designs hybrid financial products to help private investors mitigate risk

*As of December 31, 2010

Recent OPIC Transactions and Initiatives

OPIC has executed recent transactions in a range of sizes and countries

- ***Costa Rica:*** *$55M in financing for airport operations and expansion*
- ***Egypt:*** *$250M for SME lending and $300M in insurance for oil and gas project*
- ***MENA:*** **Up to $675M re: approval of eight Funds that will invest in technology innovation and access involving local entrepreneurs**
- ***Egypt /MENA:*** **Up to $3B for investment in the Middle East and North Africa, aimed at enhancing opportunity and prosperity**
- ***India:*** **$40.1M loan to build independent solar power plants in Punjab**
- ***Liberia:*** **$ 90+M financing for biomass project for rubber trees**
- ***Africa/Eastern Europe:*** **$250M finance facility – as well as insurance - to support clean energy/energy efficiency bottling projects, in Nigeria, Romania, Mali**

OPIC Products: Investment Insurance

OPIC has provided a range of Political Risk Insurance since 1971

- **Currency Inconvertibility**
- **Expropriation**
  - **Includes PPA cover/Breach of Contract**
  - **Also Regulatory Risk and Carbon Credit Cover**
- **Political Violence, including Terrorism coverage**
- **Policy terms:**
  - **up to 20 years**
  - **Premium rates are locked in**
  - **May be canceled by insured, but not by OPIC**
  - **Up to $250 million in coverage available per project; no lower limit**

OPIC Products: Investment Finance

OPIC provides a range of flexible, responsive finance to investments in developing markets

- **Characteristics of OPIC finance:**
  - **Limited recourse, long-term finance for private sector, commercial projects**
  - **Fixed rate terms for up to 20 years**
  - **Loan amounts up to $250 million**
  - **Flexible project structures that generally require only 25% U.S. equity**
- **Provides investment guarantees for transportation infrastructure (road, rail, port)**
- **Can co-finance with IFC, Regional Multilateral Banks (ADB, AfDB, IADB, EBRD), other DFIs, ECAs (EXIM), and private financial institutions**

OPIC's Products: Investment Funds

OPIC's Investment Funds are an innovative use of OPIC support

- **OPIC may not take equity in projects but provides "equity-like" senior debt**
- **Managed by private Fund managers selected by OPIC in competitive processes**
- **Fund managers selected make investment decisions without OPIC approval**
- **Do not require US investor in project**
- **OPIC policy criteria apply**

* **OPIC's funding commitments (as of FY09) have totaled $3.6 billion to more than 50 private equity funds. These funds have invested $4.6 billion in over 470 privately-owned and managed companies across 53 developing countries where OPIC can support projects.**

Global Renewable Resources Call for Proposals

OPIC to Mobilize $1 Billion to Assist Developing Nations in Combating Climate Change

- **At least $300 million of financing for new private equity investment funds** that could ultimately invest **more than $1 billion** in **renewable resources** projects in **emerging markets**
  - Announced at the UN Climate Change Conference in Cancun by OPIC CEO
- November 2010, OPIC issued a **"Global Renewable Resources Call for Proposals"** for **Private fund managers** investing in a wide variety of businesses promoting **renewable energy** and the **sustainable utilization of natural resources** such as energy, water, and land. Specifically,
  - ***Renewable energy, e.g., solar, wind, hydro, tidal, geothermal power, waste and biomass***
  - ***Investments in agriculture, land, and water, including efficient irrigation, cold storage, transportation, water treatment, sustainable forestry, natural resource preservation, and forest rehabilitation***
  - ***Utilization of natural resources via investments in energy efficiency products, systems and equipment, emissions control, and waste management***
- Received fifty seven (57) proposals from broad range of fund managers and regions
- June 2011, OPIC Board approved five (5) five new investment funds that could ultimately invest more than $1.5 billion in renewable resources (including ag sectors) of Africa and Asia

Support Private Investment in Middle East and North Africa

OPIC to Catalyze up to $3 Billion for Private Sector Investment in MENA Region

- **Direct loans, guarantees and political risk insurance for investors, and financing support for private equity investment funds;**
- **Prioritization of investment in SMEs, infrastructure (particularly renewable resources) and other key sectors such as food security, healthcare and IT;**
- **Expansion of risk insurance product, specifically to protect US limited partner investments in private equity funds investing throughout the MENA region;**
- **'Fast-track' approval for OPIC-supported projects to ensure rapid deployment of capital, consistent with OPIC investment policy standards concerning the environment and worker and human rights;**
- **Development of OPIC partnerships with banks, investment funds, diaspora entrepreneurs, and others interested in investing in projects which promote regional stability; and**
- **Also selected 8 investment funds for tech access and innovation, including MENA Fund Managers**

** OPIC is currently providing nearly $2.6 billion in support to projects in the MENA region*

Renewable Resources: Product Innovations

The development of new products is based upon building off familiar strengths

New Product	Description	OPIC Strengths
Energy Efficiency Sub-Debt	*Direct financing for Energy Efficiency improvements with repayments tailored to expected cost savings.*	• Working with SMEs • Processing small loan sizes
Energy Efficiency Facilities	*Financing US financial intermediaries to offer a financing package for Energy Efficiency improvements.*	• Understanding needs of financial intermediaries • Existing framework agreements
Leasing	*Lease financing through US renewable energy equipment vendors to reduce upfront capital costs to end users.*	• Deep leasing experience • Ability to diversity risk
Insurance on Breach of Carbon Credits	*Insurance to protect US investors from the actions of a foreign government impacting the ability to realize carbon credit revenues.*	• Experts in political risk underwriting • Ability to analyze regulatory frameworks and assess risk

Conclusion

OPIC can be a unique partner to the U.S. business sector, local and other foreign investors, and with other institutions

- **Catalyzing investment flows to developing countries, particularly focus on Egypt and MENA, Sub-Saharan Africa, as well as Asia**
- **Strong record mobilizing investment capital -- FDI and domestic – and supporting USG foreign and development policy**
- **Enhanced cooperation with other DFIs, USG agencies, host country officials, and the private sector to assist OPIC in identifying opportunities and addressing challenges**
- **Improve information flow and strengthen OPIC's impact with host country, international community and private sector**

Contact Us

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