



# **Overseas Private Investment Corporation**

**Presentation to**

**United States Embassy Kyiv**

**American Chamber of Commerce in Ukraine**

**U.S.-Ukraine Business Council**

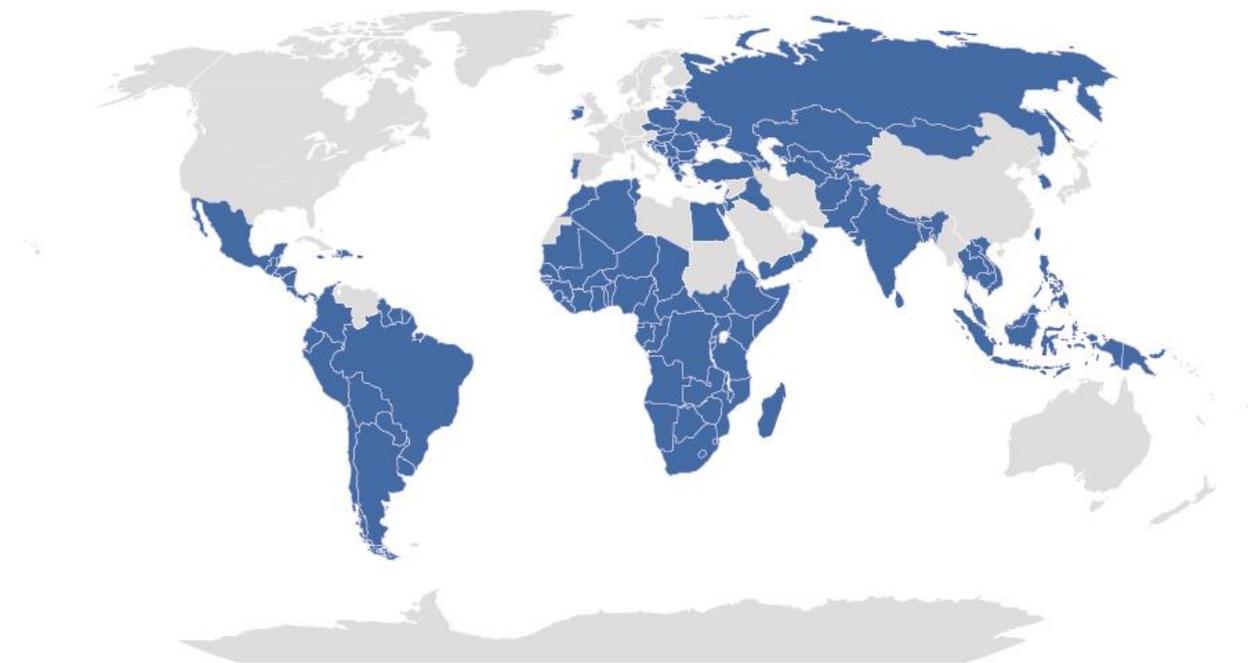
*September 29, 2014*

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# Our Organization

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As the U.S. Government's development finance institution, OPIC mobilizes U. S. private capital to help solve critical development challenges and in doing so, advances U.S. foreign policy.



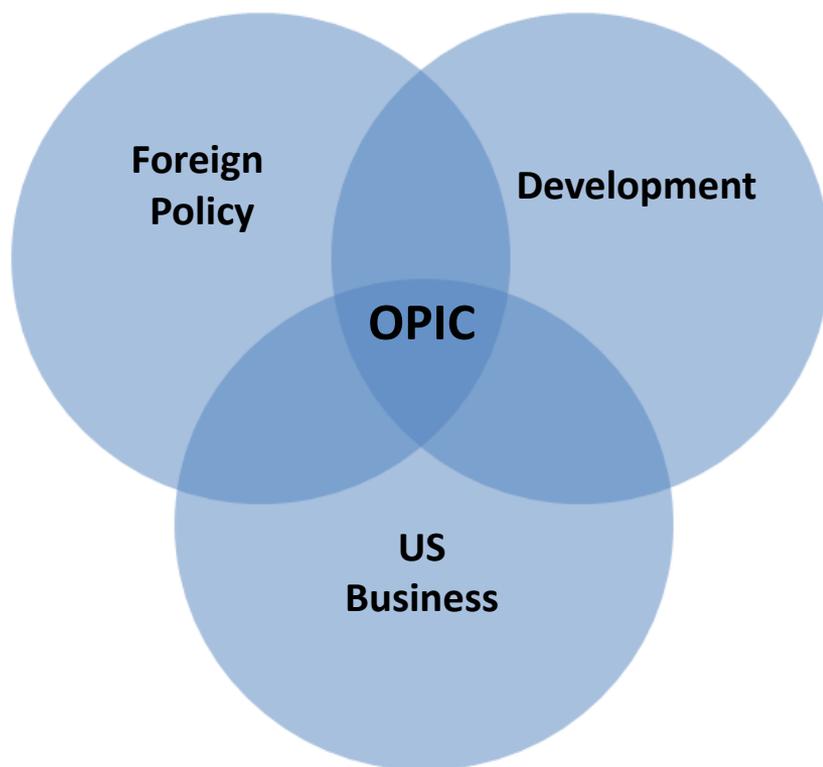
**OPIC currently manages an \$18 billion portfolio of projects in 103 countries and operates on a self-sustaining basis at no net cost to the American taxpayer.**

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# Administration Development Priorities

OPIC is uniquely positioned to support the administration's 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

- **Support broad-based, sustainable economic growth**
- **Proactively target specific countries, regions, sectors, and technologies**
- **Mobilize private sector investment**
- **Elevate development as a central pillar of national security policy**

# Our Solutions

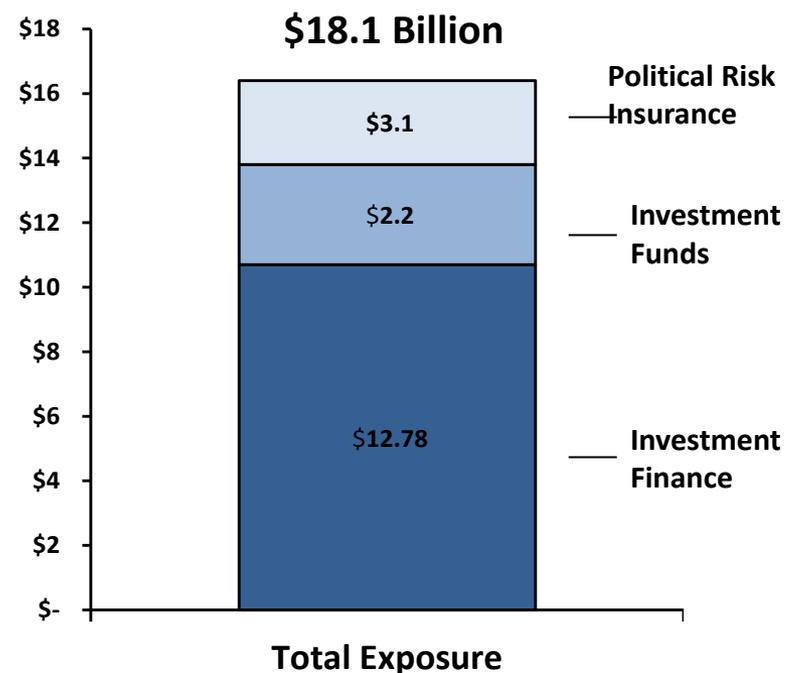
OPIC offers innovative financial solutions to support private investors including debt financing, insurance, and support for private equity investment funds.

## Products

- Investment Finance**
  - Limited recourse, long-term finance for private sector, commercial projects
  - Loan amounts up to \$250M per project
  - Specific programs for providing finance to small-and-medium-sized enterprises
  
- Political Risk Insurance**
  - Protection against currency inconvertibility, expropriation and political violence, including terrorism, as well as other specialized coverage
  - Policy coverage up to \$250M per project, up to 20 year term
  - Fixed premium, cancellable only by insured
  
- Investment Funds**
  - Senior debt for private equity funds selected by competitive process
  - Investment decisions made independently by selected fund managers
  - Provide up to \$250M with bullet repayment, zero coupon structure

## Current Portfolio\*

Based on a \$29B Statutory Capacity



\*As of September 30, 2013

# Our Clients and Alliances

OPIC coordinates 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

### U.S. Government

- Departments of State, Commerce, and Treasury
- USAID & USTDA
- Ex-Im Bank and SBA
- Millennium Challenge

### Development Finance Institutions

- IFC and MIGA
- Regional Development Banks (IDB, ADB, AfDB, EBRD)
- Other Bilaterals (CDC, FMO, DEG)

### 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 and insurance.

## Eligibility Criteria for Investors

*To be eligible for OPIC financing and insurance, applicants must:*

- ✓ Have a **commercially viable business plan** and successful track record
- ✓ **Involve the U.S. private sector** in a meaningful way in the project seeking OPIC support
- ✓ 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 **~160 eligible countries**
- ✓ Comply with international **environmental standards**
- ✓ Comply with international **human rights** and **worker rights** regulations
- ✓ Cause **no loss of U.S. jobs** or adverse impact on the U.S. economy

# U.S. Connections in OPIC-Supported Projects

OPIC policy requires that finance and direct insurance projects have a meaningful connection to the U.S. private sector.

## How Does OPIC Define U.S.?

- A U.S.-organized entity generally must be at least 25% U.S.-owned.
- A foreign organized entity generally must be at least majority U.S.-owned.

## How Does OPIC Measure U.S. Involvement?

- OPIC requires U.S. involvement in the project company in an amount that is equivalent to 25% of the project company's equity, which may be met with equity, long-term debt or other U.S. contracts or, by combining these types of involvement.
- OPIC will support investment funds if the fund has raised U.S. equity equal to 25% of OPIC's loan support or if the fund is managed by a U.S. manager.

## How Does OPIC Measure the Duration of U.S. Involvement?

- For an ongoing project, U.S. entities need to retain a 25% interest in the project through final disbursement of the OPIC loan. In the case of a start-up or 'greenfield' project, the U.S. entities need to retain a 25% interest through physical completion of the project.
- OPIC must approve any proposed transferee of the interest.

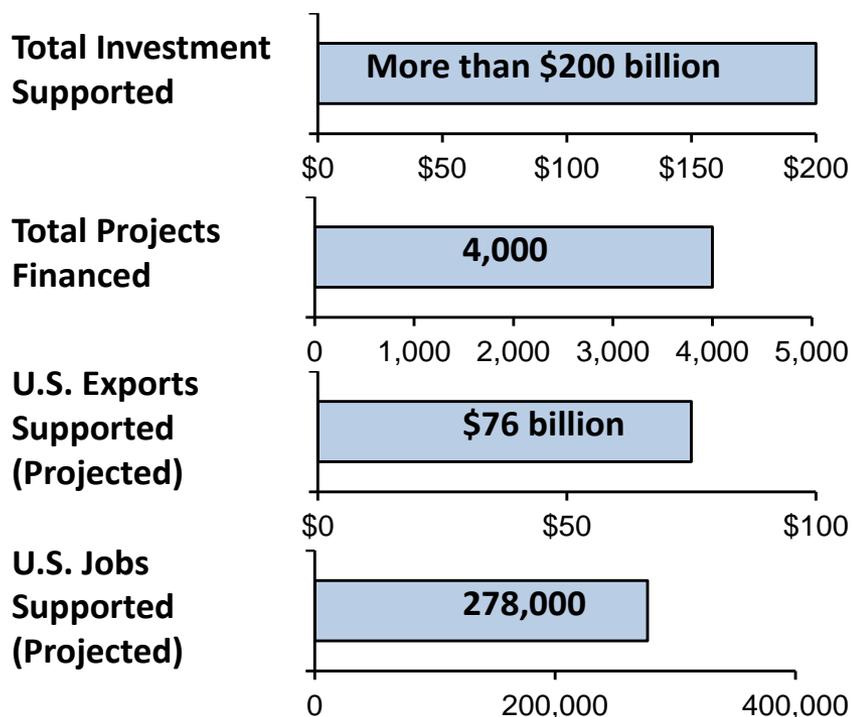
## How Does OPIC Define U.S. Small Business?

- For OPIC to finance a project with a direct loan, the US involvement must come from US small business. A "small" business includes: a business with annual revenues during the last fiscal year of less than \$400M; entities/individuals without revenues, net worth of less than \$100M.
- Consistent with the U.S. Small Business Administration, OPIC also considers a business with 500 or fewer employees as "small."

# Our Impact

Over the past 41 years OPIC has supported over \$200 billion of investment in developing markets that is projected to support over 277,000 U.S. jobs.

## OPIC By the Numbers\*



\*Since 1971

## Success Stories



- **Haiti:** \$6 million loan to Haiti 360 to produce high-quality concrete to rebuild homes and other infrastructure destroyed in 2010 earthquake.



- **India:** \$3.5M loan to Healthpoint for water treatment facilities serving 400 communities to help prevent disease. *[photo: Soma Vatsa/for NPR]*



- **Iraq:** \$26M in financing to Claremont Erbil for affordable housing for hundreds of families in need.



- **Ghana:** \$150 million in political risk insurance to Belstar for a project that will increase clean water access and make the country's water treatment plants more efficient

# OPIC Project Lifecycle



# I have a project. Where do I start?

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1. Is my country of interest eligible?
2. Is this type of project eligible?
3. How do I register for insurance?
4. How do I apply for an OPIC loan?
5. Where can I get help with my business plan?

Please visit [www.opic.gov](http://www.opic.gov)

See Investor Screener



# Resources & Contacts

## Resources:

1. Review the website: [www.opic.gov](http://www.opic.gov)
2. Review *The Investor Screener*
3. Consult *Small Business Guide*:  
<http://www.opic.gov/small-business>
3. Discuss your project with OPIC:  
[info@opic.gov](mailto:info@opic.gov) or +1 (202) 336-8400
4. **Insurance:** Complete [Form 50](#)  
**Finance:**  
Complete *Section 1a* of [Form 115](#)
5. Need assistance? Loan Originators:  
[www.ednaccess.com](http://www.ednaccess.com)

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