



Competitive Letters of Interest for Project Finance Transactions

Project Finance Competitive Letter of Interest

Requirements for a CLI

In order to qualify for a CLI, the applicant should demonstrate that the project meets the following criteria:

- Participants are involved in the final stage of an international tender competing against bidders without U.S. procurement.
- An Ex-Im Bank PF LI has been previously issued to the applicant for the project.

Application process for a CLI

To apply for a CLI, the applicant should provide the following:

- A copy of the previously issued standard LI for the project.
- The non-refundable \$1,000 processing fee.
- A cover letter requesting a CLI. The letter should include a business justification that details why the PF LI is insufficient to support the bid proposal of the U.S. exporter in the face of foreign competition. Applicants should include identification of the other competitors involved in the bid, a copy of the tender or invitation to bid including the bid deadline, letters of support from other ECAs, if available, and other pertinent details.
- A Preliminary Information Memorandum (PIM), to facilitate Ex-Im Bank's analysis. If a PIM is not available, a comprehensive project summary is required. While Ex-Im Bank realizes that, at the final bidding stage, the amount and substance of available project information will differ from project to project, the following list may serve as a useful guideline for the type of information that will assist us in our analysis:
 - a summary of the project identifying the project type, location, parties to the transaction, status of the project, total project costs, estimated U.S. export value, anticipated project time frame, and anticipated environmental impact
 - off-takers and suppliers, progress on any agreements, any draft project documents that may be available, etc.
 - likely financial structure, risk mitigation proposals, equity participation, host government participation, and key strengths and weaknesses of the project
 - sources and uses of funds, and preliminary cash flow projections (if available)
 - any other issues applicable to the project that are available for Ex-Im Bank to review

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**Export-Import
Bank
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811 Vermont
Avenue, N.W.
Washington, DC
20571
800.565.3946
202.565.3380
fax
202.565.3377
tdd
bdd@exim.gov
www.exim.gov

Northeast - New
York
212.809.2650

Mid-Atlantic -
Washington, DC

Timing

Upon receipt of the application materials, Ex-Im Bank will evaluate the request for a CLI and perform a review of the project. If Ex-Im Bank decides the project is an appropriate candidate for a CLI, the letter will be issued in two to four weeks.

The CLI analysis will be performed by a member of Ex-Im Bank's Project Finance Division. At this stage, the project information will not be reviewed by outside financial advisors, Ex-Im Bank's General Counsel's Office or Engineering and Environment Division.

Form of the Competitive LI

The purpose of the CLI is to provide support to bidders with U.S. procurement in the final stage of the project tender. The CLI addresses the merits of the project based upon the information contained in the application, and provides an indicative exposure fee range for the project. The letter also identifies issues that may affect the project's risk profile, and highlights issues needing further clarification. The CLI process is not intended, however, to provide the applicant with a fatal flaw review.

It should be stressed that Ex-Im Bank views the level of project analysis provided in the CLI to be closer to that of the Letter of Interest than to that of the Preliminary Project Letter (PPL). Therefore, at this stage we require significantly less information than for the PPL process. However, should Ex-Im Bank feel that critical information is missing from the application package, we reserve the right to request further information before proceeding with our analysis.

Ex-Im Bank's CLI is an expression of interest only. An Ex-Im Bank financing decision is subject to further due diligence upon receipt of the final commitment application. The issuance of a CLI does not replace the Phase I project finance evaluation process which includes review by legal counsel, as well as by financial and technical advisors. While a CLI identifies important project issues, the limited nature of the review is not a comprehensive evaluation required for Ex-Im Bank's further consideration of financial support. The CLI is not a financing commitment. All projects require the approval of the Ex-Im Bank Board of Directors before a final commitment can be issued.

Applicants are recommended to consult with Project and Structured Finance at Ex-Im Bank prior to filing an application for a CLI. If you are interested in applying for a Competitive Letter of Interest or would like additional information, please contact Kristine Wood (202) 565-3913 or Cheryl Conlin at (202) 565-3955.

