
FACT SHEET

Overseas Private Investment Corporation (OPIC)

GREENHOUSE GAS / CLEAN ENERGY INITIATIVE

June 14, 2007

Demonstrating the commitment of the Overseas Private Investment Corporation (OPIC) to promoting a better worldwide environment while serving its mandate to promote U.S. private capital investment in developing countries, OPIC is initiating a four-part plan to address the issue of Greenhouse Gas Emissions (GHG) and increase support for clean energy and green technology:

1. Reduce Portfolio Emissions:

- OPIC will reduce the direct GHG emissions associated with projects within the OPIC active portfolio by 20 percent over a ten-year period.

2. Cap Transactional Emissions:

- OPIC will establish an annual emissions cap for all new OPIC-supported projects with significant GHGs in any given year to achieve the 20 percent reduction in aggregate portfolio emissions. The annual cap will be equal to the FY 2007 committed projects' projected GHG emissions.

3. Support Energy Efficiency, Renewable & Clean Technology:

- OPIC will work with the private sector to encourage and support projects that incorporate energy efficiency or clean technologies.

4. Enhance Accounting and Transparency:

- OPIC will expand transparency of its energy portfolio by annually reporting 1) annual emissions for each active major GHG emitting project being supported by OPIC; and 2) projected GHG emissions for each new project receiving an OPIC commitment of support during that year. OPIC currently reports only aggregate emissions.
- OPIC will expand annual reporting to identify investments supported by OPIC in renewable energy and environmentally beneficial products and services, including energy efficiency.

TECHNICAL FACT SHEET

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OPIC believes it is important to lead by example and to adopt policies that encourage the private sector and inform good development decisions when it is within OPIC's capacity to implement those policies.

Reduce Portfolio Emissions:

- OPIC will reduce the direct GHG emissions associated with projects within the OPIC active portfolio by 20 percent over a ten-year period.
- The estimated baseline is 54.69 million tons of CO_{2eq} which represents the aggregate GHG emissions from major greenhouse gas-emitting projects in the OPIC active portfolio on March 31, 2007.
- Using this baseline, the aggregate GHG emissions associated with OPIC's active portfolio in 2016 may not exceed 44 million tons CO_{2eq}.
- Significant GHG-emitting projects are defined as those emitting greater than 100,000 tons of CO_{2eq}/year within the following sectors:
 - Combustion Installations
 - Oil and Gas Extraction and Transportation
 - Mineral Oil Refineries
 - Coke Ovens
 - Metal Ore Roasting or Sintering
 - Production of Pig Iron or Steel
 - Rotary Kiln Production of Cement Clinker
 - Glass Manufacturing
 - Ceramics Manufacturing
 - Pulp and Paper Production.

Cap Transactional Emissions:

- OPIC is establishing an annual emissions cap for all new major greenhouse gas-emitting projects to which OPIC provides a commitment in any given year to achieve the 20 percent reduction in aggregate portfolio emissions. The annual cap

will be equal to the FY 2007 committed projects' project emissions, which are now estimated to be between two and three million tons CO_{2eq}.

- On a transactional basis, OPIC will consider reduction and control alternatives for all projects, including opportunities to enhance energy and operational efficiency; protect and enhance sinks and reservoirs of greenhouse gases, such as natural forests; and the application of emerging technologies for capture, storage and recovery of greenhouse gases.

Definitions:

For the purpose of this policy, **Active Portfolio** is defined as all insurance contracts in force and all guaranty and direct loans with outstanding principal balance.

Carbon dioxide equivalents (CO_{2eq}) is a metric measure used to compare the emissions from various greenhouse gases based upon their global warming potential (GWP). The carbon dioxide equivalent for a gas is derived by multiplying the tonnes of the gas by the associated GWP. For example, the GWP for methane is 21 and for nitrous oxide 310. This means that the emissions of 1 million metric tonnes of methane and nitrous oxide respectively is equivalent to emissions of 21 and 310 million metric tonnes of carbon dioxide.

Commitment is a binding offer to provide insurance or financing (i.e., loan or guaranty) under explicit terms and conditions for a specified period of time. Commitment may precede execution of a loan agreement, guaranty agreement, or insurance contract, but binds the agency to issue the loan, guaranty, or insurance coverage provided the terms and conditions of the offer are met within the specified time period.