

THE **OPEC FUND** FOR INTERNATIONAL DEVELOPMENT

OPEC Fund Financing

May 26-30, 2025



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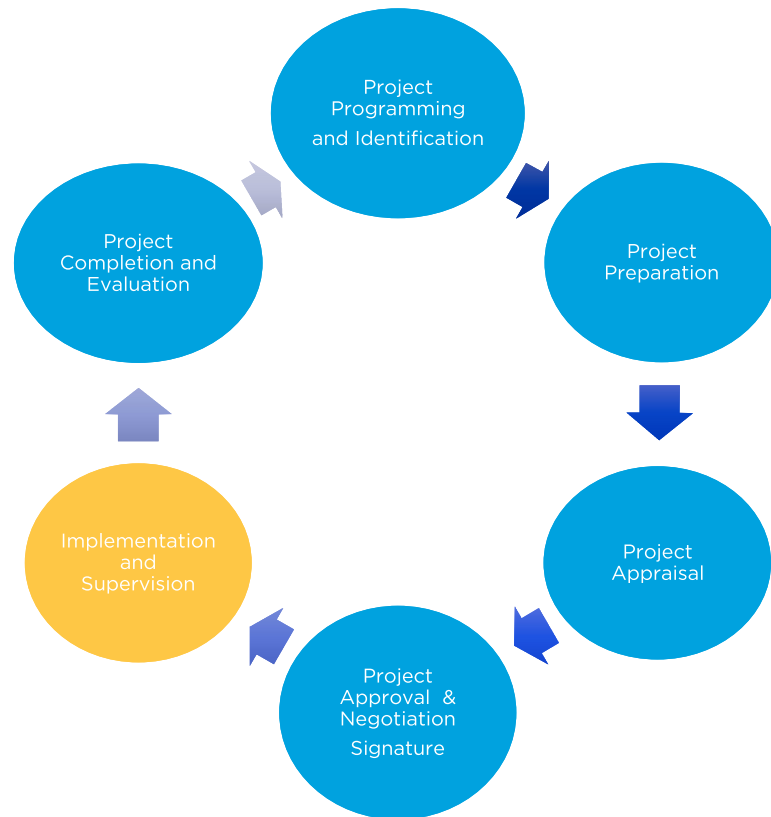
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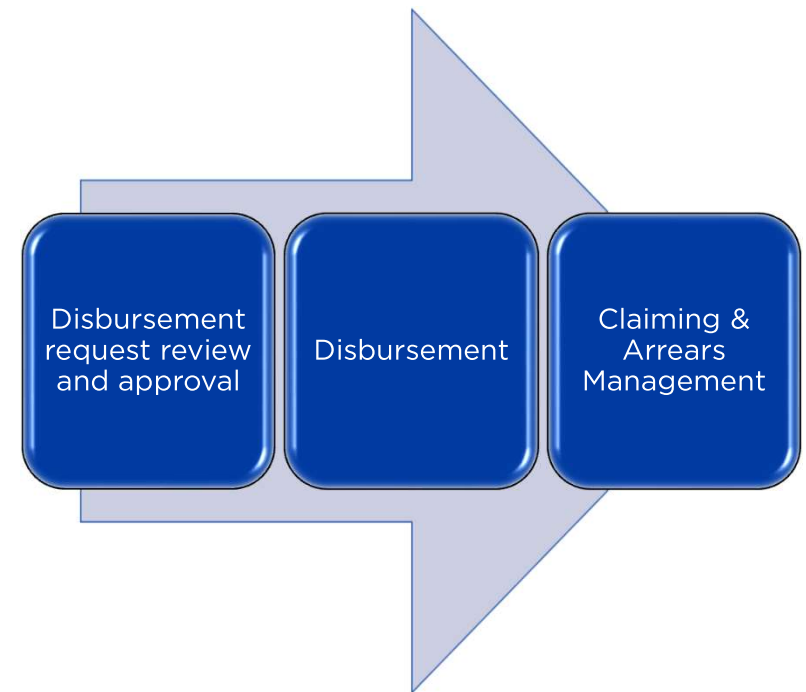
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I. Project Cycle - Disbursement Process

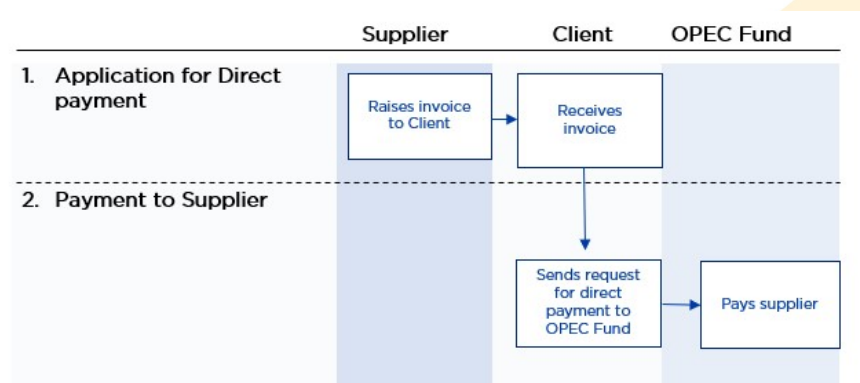


OPEC Fund's role



I. Project Cycle - Disbursement Methods

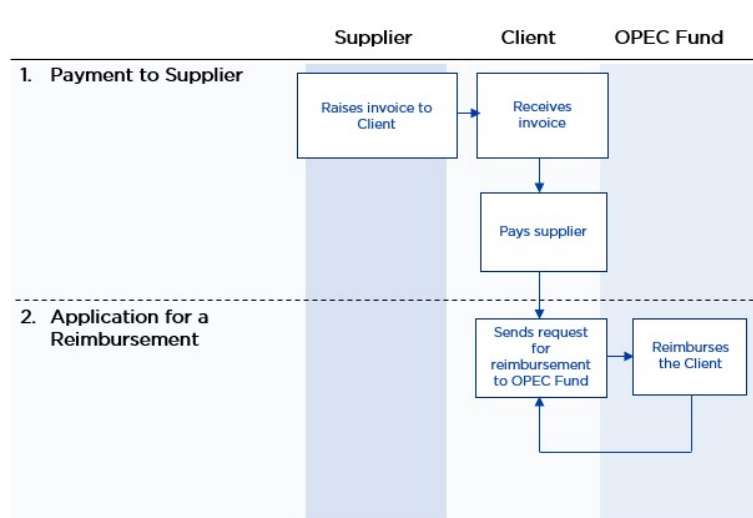
Direct payment method



Documentation requirements	Sovereign Loans	Non-Sovereign Loans	Grants
Signed Form (except for OCP)	<ul style="list-style-type: none"> Withdrawal application form 	<ul style="list-style-type: none"> Withdrawal application form (as defined in the legal agreement/CTA) 	<ul style="list-style-type: none"> Withdrawal application form
Supporting documents	<ul style="list-style-type: none"> Contract/purchase order Invoices/bills/claims (if applicable) Advance payment bank guarantee if applicable, performance bond guarantee FX rate source, if applicable Statement of Expenditures Any other supporting document as defined in the Disbursement Letter 	<ul style="list-style-type: none"> As defined in the Legal Agreement/CTA 	<ul style="list-style-type: none"> Contract/purchase order if applicable Invoices/bills/claims if applicable FX rate source, if applicable Based on legal agreement: <ul style="list-style-type: none"> Progress report Financial statement Statement of expenditures Project completion report

I. Project Cycle - Disbursement Methods (cont.)

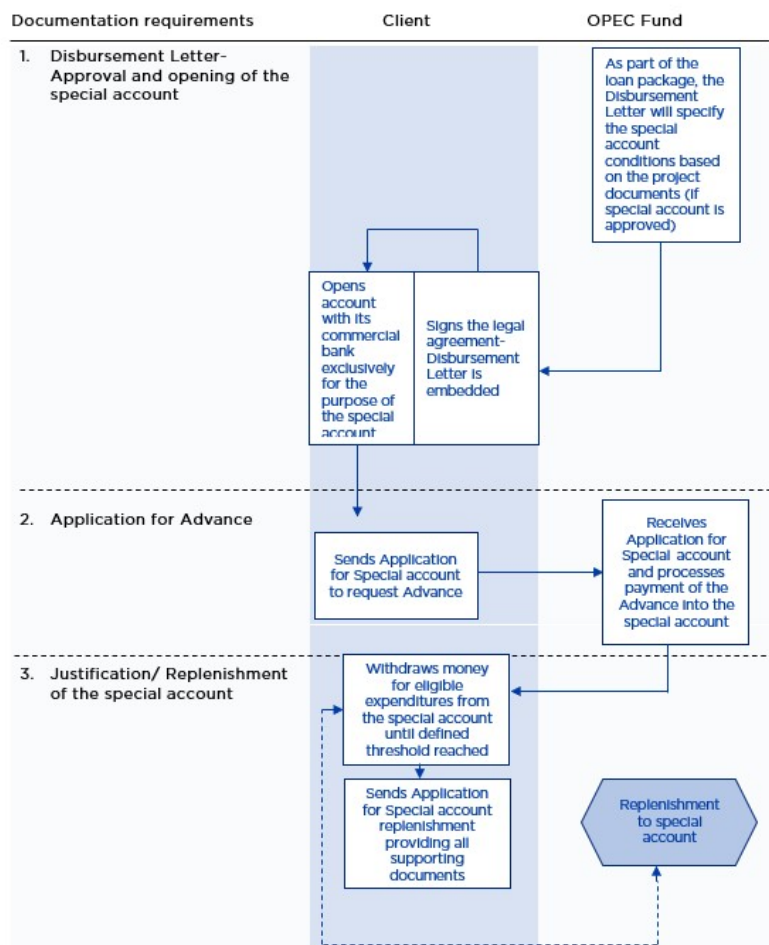
Reimbursement method



Documentation requirements	Sovereign Loans	Grants
Signed Form (except for OCP)	<ul style="list-style-type: none">Withdrawal application form	<ul style="list-style-type: none">Withdrawal application form
Supporting documents	<ul style="list-style-type: none">Contract/purchase order if applicableInvoices/bills/claims (if applicable)Evidence of receipt of goods (if applicable)Evidence of payment to the supplier (if applicable)FX rate source, if applicableStatement of ExpendituresAny other supporting document as defined in the Disbursement Letter	<ul style="list-style-type: none">Invoices/bills/claimsFX rate source, if applicable

I. Project Cycle - Disbursement Methods (cont.)

Special Account (SA) method



Special Account Advance

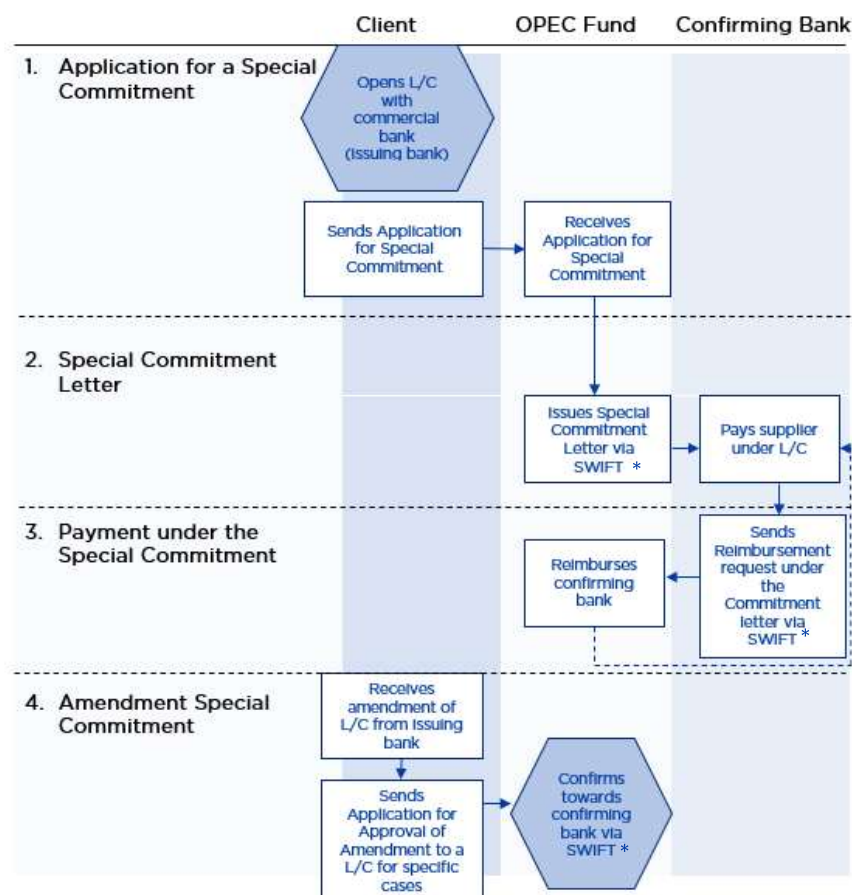
Documentation requirements	Sovereign Loans
Signed Form (except for OCP)	<ul style="list-style-type: none"> Withdrawal application form

Special Account Justification & Replenishment

Documentation requirements	Sovereign Loans
Signed Form (except for OCP)	<ul style="list-style-type: none"> Withdrawal application form
Supporting documents	<ul style="list-style-type: none"> Special Account Bank statements incl. subsidiary and local currency accounts receiving funds from designated account showing the current balance of all accounts Invoices/bills/claims (if applicable) Special Account reconciliation statement Statement of Expenditures Any other supporting document as defined in the Disbursement Letter

I. Project Cycle - Disbursement Methods (cont.)

Special Commitment method



Special Commitment Request

Documentation requirements	Sovereign Loans
Signed Form (not for OCP)	<ul style="list-style-type: none"> Special commitment issuance form
Supporting documents	<ul style="list-style-type: none"> Copy of L/C with a valid expiry date Copy of contract/purchase order Any other supporting document as defined in the Disbursement Letter

Special Commitment Reimbursement

Documentation requirements	Sovereign Loans
Form of Request	<ul style="list-style-type: none"> SWIFT message

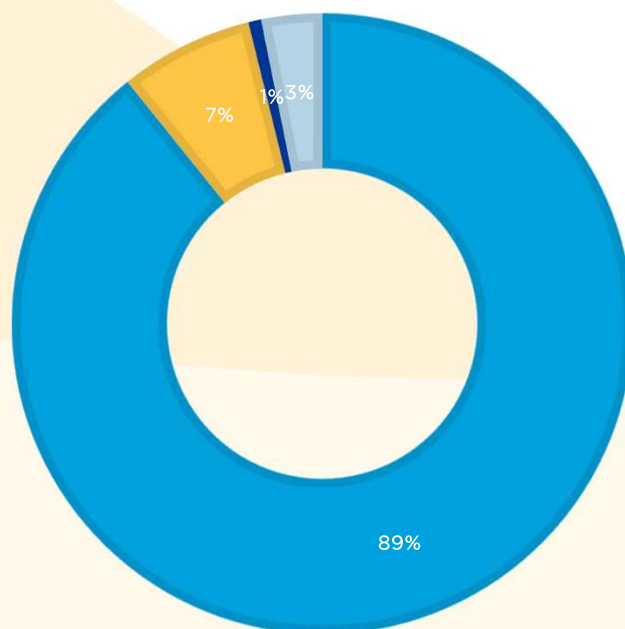
Special Commitment Amendment

Documentation requirements	Sovereign Loans
Signed Form (except for OCP)	<ul style="list-style-type: none"> Special commitment amendment form
Supporting documents	<ul style="list-style-type: none"> Copy of L/C with a valid expiry date Copy of contract/purchase order Any other supporting document as defined in the Disbursement Letter

* Communication through SWIFT is under implementation and will be covered in the updated Loan Handbook

I. Project Cycle - Disbursement Methods (cont.)

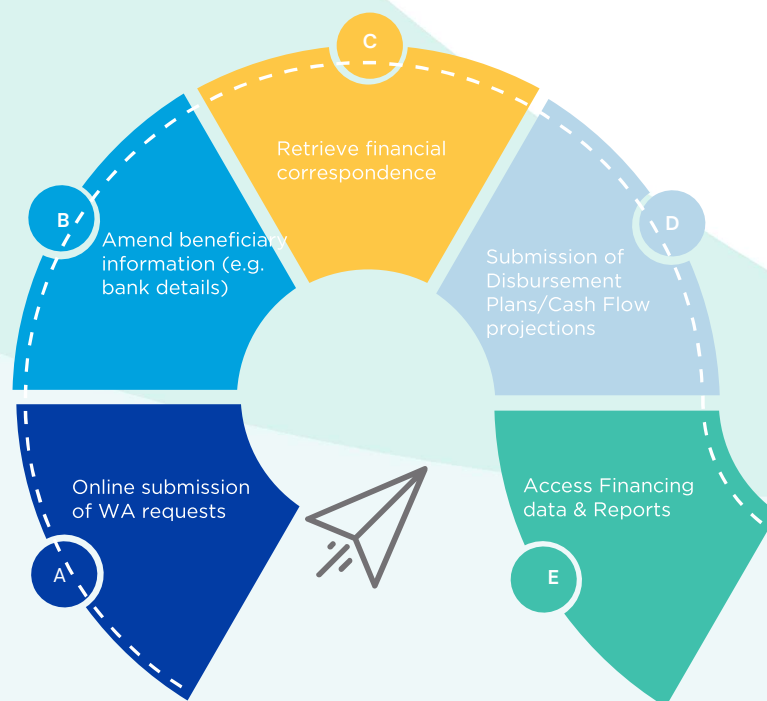
TOTAL DISBURSEMENTS BY TYPE IN %



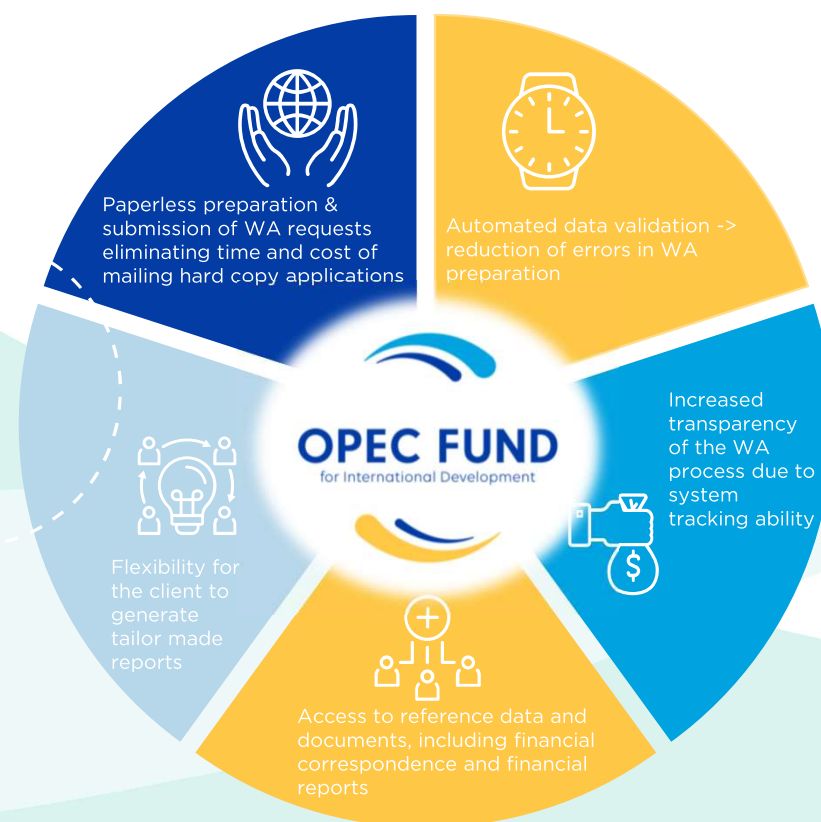
■ Direct ■ Reimbursement ■ Special Account ■ Special Commitment

I. Project Cycle - OPEC Fund Client Portal (OCP)

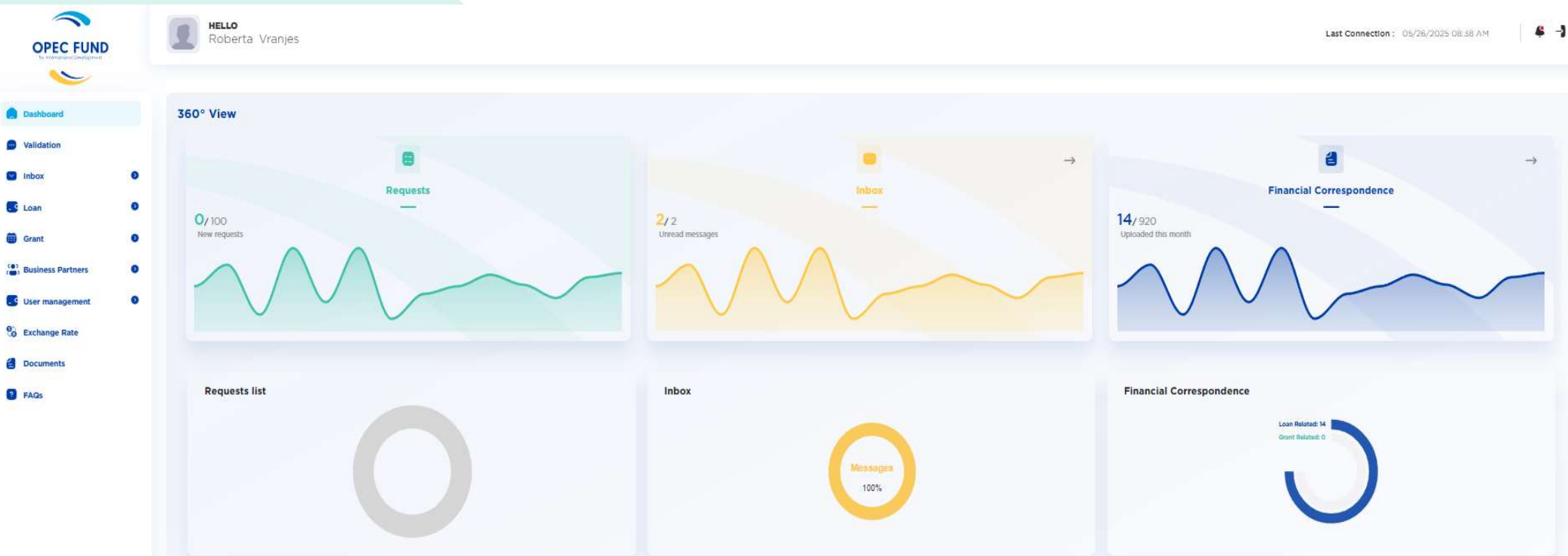
OCP main functionalities



OCP benefits



I. Project Cycle - OPEC Fund Client Portal (OCP) cont.



II. Sovereign Operations



Introduction

Public Sector Operations

- Public Sector Operations are core to the OPEC Fund's work. All OPEC Fund supported operations are aligned with its partner countries' development priorities.
- Public Sector Operations are co-financed with the governments of recipient countries and frequently with other donors, including regional development banks, UN agencies and the bilateral and multilateral development agencies of our member countries.
- This is aligned with keeping the Global Partnership for Effective Development Cooperation and the 4 shared principles of development:
 - ownership of development priorities by developing countries
 - focus on results
 - inclusive partnerships
 - transparency and accountability
- To encourage sustainability, the OPEC Fund's Public Sector Operations also focus on capacity building and institution strengthening.

Terms & Conditions



Pricing:

Floating or fixed
interest rate
market-based



Currency:

US\$ or Euro
(no local currency)



Tenor:

Ranging between
8-20 years with
3-5 years grace
period



Loan amount:

Between
US\$10-100 million



Sovereign Guarantee:

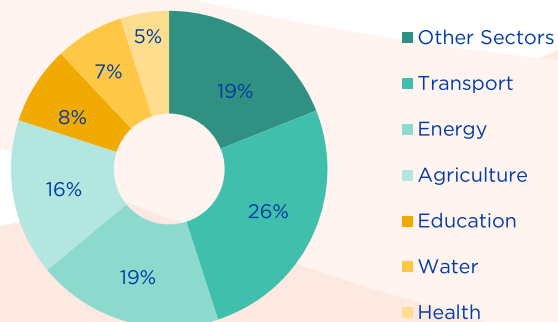
For all Public
Sector Loans*

**including at national,
provincial or municipal level,
as well as public utilities
companies and national
development agencies*

Financial Indicators

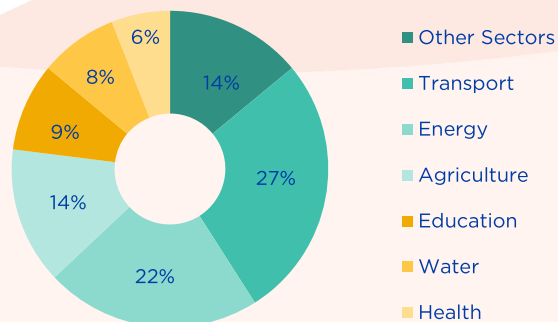
Africa

- 918 Public Sector loans approved for US\$7.43 billion in 53 countries
- 166 ongoing operations for a total value of US\$2.7 billion



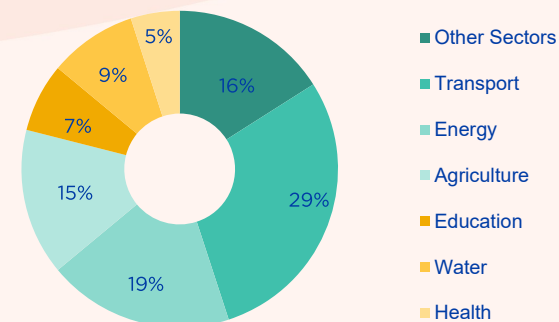
Asia

- 393 Public Sector loans approved for US\$4.74 billion in 43 countries.
- 65 ongoing operations for a total value of US\$1.9 billion



LAC and Europe

- LAC: 257 loans approved for US\$2.74 billion in 31 countries with 45 ongoing
- Europe: 39 loans approved for US\$364 million in 7 countries with 9 ongoing



Financing Types

- **Project Loans**

Providing Loans for financing Projects

- **Tranche Financing**

Providing a series of loans to a partner country under an overall umbrella approved by the OPEC Fund Governing Board, based on specific terms and conditions (e.g. division into phases with medium to long-term targets)

- **Policy Based Loans**

Providing sovereign financing to governments to support policy reforms/institutional changes in particular sectors



III. Non-Sovereign Operations

Non-Sovereign Operations Introduction

- Started operations in 1998 and Trade Finance in 2006.
- Acknowledgement of increasing role of private sector and importance of trade.
- Complementary means to fulfil and advance mandate.
- Twin objectives of development impact and financial sustainability.
- Strong development impact with a focus on SDGs 7, 8, 9 and 10.
- Lean and efficient operating model.
- Established reputation as a reliable co-financing partner.
- Holistic response to Partner Country development finance needs.
- Increasing support to Member Country companies looking to expand into Partner Countries.



Over 350,000 MSMEs directly supported



8,800 trade finance beneficiaries supported through 330 issuing banks

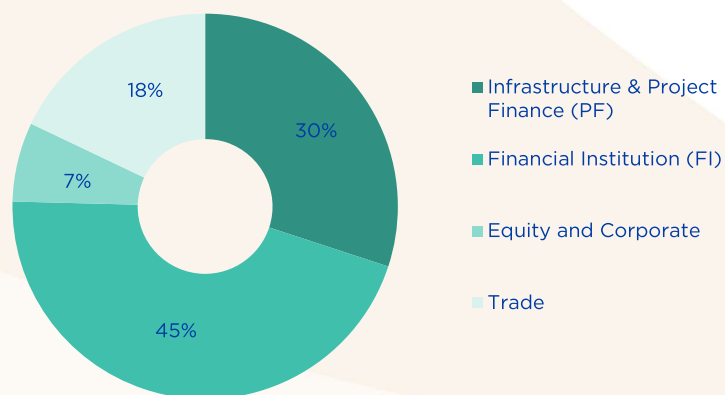


43 power projects financed of which 12 ongoing and 31 completed



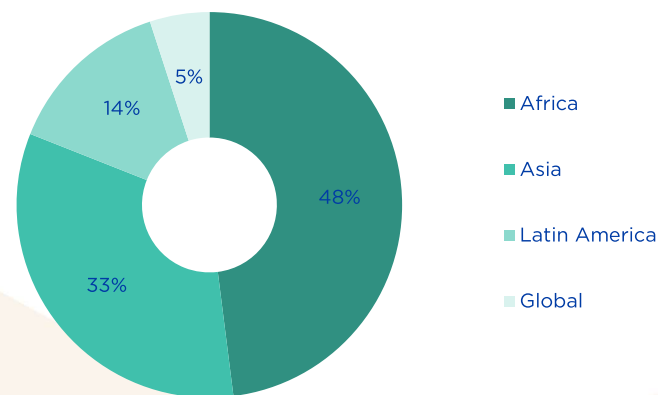
Financial Indicators

Sectors outstanding % of US\$ as of February 2023



- **Financial Institutions (FIs):** Lending to MSMEs, International Trade, Gender Finance, Green Finance, Infrastructure.
- **Trade:** Import and Export of Commodities and Equipment (sovereign or non-sovereign).
- **Infrastructure (Project Finance):** Construction and Operation of infrastructure projects, primarily through senior debt across various sectors, e.g. power, transport, healthcare.
- **Equity:** Traditionally via Funds or direct equity. Presently limited appetite.
- **Corporate:** Support for Capital Expenditure, Working Capital, Capital Support, Refinancing.

Regions outstanding % of US\$ as of February 2023



Financing Types

➤ Private Sector Loans

The OPEC Fund primarily provides term loans to its clients to support companies and projects based on a clearly identified use of proceeds and development impact.

➤ Equity Investments

The OPEC Fund may offer equity capital, either directly by purchasing shares in eligible corporates or indirectly by subscribing to investment funds.

➤ Trade Finance Facilities

Trade Finance is delivered through a range of instruments on a conventional or Islamic basis. This financing is channeled directly or through participation in syndicated facilities, club deals and co-financing arrangements.

➤ Trade Finance Guarantees

A contract released by the Fund for its customer, who has signed an agreement to purchase goods from a supplier and agrees to fulfill any financial obligations to the supplier in case of default.

➤ Refinancing Policy

Applied to Non-Sovereign and Sovereign Trade Finance loans for non-performing loans that are refinanced by a new loan from existing or different lenders and with different terms.

➤ Syndication transactions

Financing offered by a syndicate made up of a group of lenders that work together to provide funds to a client. It usually involves large sums, which allows the risk to be spread among several financial institutions to mitigate the risk in case the borrower defaults.

IV.GRANTS



Grants/Innovative Financing Solutions: Strengthen Country & Client Base and Partner Collaboration

Driving growth by employing Innovative Financing Solutions & Technical Assistance

- Joint Technical Assistance Facilities with other MDBs (ADB, EBRD and CAF);
- Trust Funds to expand and complement our lending activities in several contexts, raise our profile globally by supporting special development initiatives and better engage with member and partner countries and institutions
- Use of Blended Finance to de-risk and catalyze private sector investment in areas and regions where it is needed most
- Use of Grants to unlock and scale-up finance from other MDBs and DFIs, including ACG sister organizations, in support of OPEC Fund strategic initiatives and projects
- Technical Assistance for
 - Project Preparation at different stages of the project preparation cycle
 - Advisory Services and Institutional Capacity Building
 - Development Impact Assessments

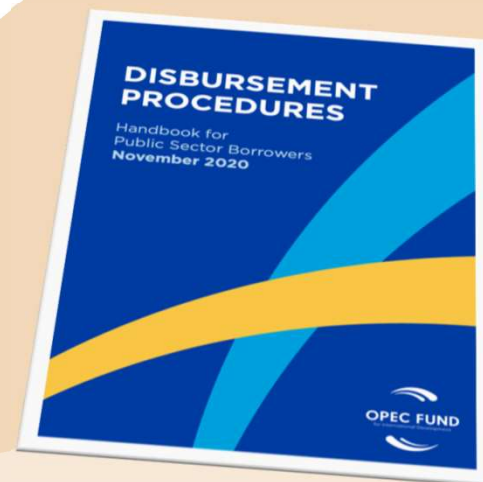
FOR MORE



OPEC Fund
Quarterly



Annual
Report



Disbursement
Procedures

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opecfund.org

REACH OUT

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The OPEC Fund for
International Development



THANK YOU!

GRACIAS

شكرا لحسن استماعكم

MERCI



Annex