

Non-Sovereign Operations OPEC Presentation May 2025

CONFIDENTIAL

AGENDA



**NON SOVEREIGN
OPERATIONS**



**ELIGIBILITY
CRITERIA**



**SYNDICATION
FUNCTION**



RECENT HIGHLIGHTS



**PORFOLIO
EXPOSURE**



**INVESTMENT PROJECT
CYCLE**



**ACHIEVEMENT &
STRATEGIC INNOVATION**



“

Nothing is particularly new about a group of countries establishing a common financial aid facility. What is new, however, is the trend towards establishing international financial facilities designed exclusively to assist non-member countries, with the donors standing to gain no economic return.

”



The late Dr Ibrahim Shihata,
OPEC Fund's 1st Director General, 1976.

NON-SOVEREIGN OPERATIONS

The OPEC Fund's investments in the private sector have directly boosted the economies of more than 70 countries globally through funding.

Overview

- The OPEC Fund launched its private sector operations in 1998, with its first transaction in 1999, complementing its long-standing engagement with the public sector in its partner countries.
- In 2006, the OPEC Fund launched its trade finance window to support private enterprises and governments by facilitating their import and export requirements.
- The private sector department focuses on providing financing solutions to privately or state-owned, commercially run entities in hard currency.

Key Metrics


US\$10 billion
committed


600+
transactions


70+
countries
financed


+3.6GW
Electric
capacity
developed


11,000+
Unfunded
guarantees
provided


500,000+
MSMEs supported

Financing Solutions

1 Term loans

- Financial Institutions
- Project Finance
- Corporate Loans

2 Guarantees

- Trade Finance (Import and Export Financing / Risk Sharing Programs)

3 Equity

- Direct Investments (FIs)
- Private Equity (all sectors)

Floating/fixed rates, market based pricing, USD or EUR, 1-20 years tenor, US\$20-50 Mn ticket size, standard security.

ELIGIBILITY CRITERIA

The OPEC Fund, in accordance with its mandate, does not operate in OPEC Member Countries. In selecting clients, the guiding principle is the end-use of proceeds from the Facility and the economic benefit from the private sector development.

1 Country	2 Partners	3 Project ^(*)
<ul style="list-style-type: none">• Global mandate• All low & middle-income countries• Framework Agreements (FA)• Non-OPEC member countries	<ul style="list-style-type: none">• Financial institutions• State-owned or private enterprises• National/Regional DFIs• National, provincial and local governments & gov. agencies	<ul style="list-style-type: none">• Economic, technical, financial, social & environmental viability• Clear development impact• Additionality and catalytic effect

^(*) Loans supporting fossil fuels (oil and gas extraction and refining, infrastructure used primarily for the transportation of fossil fuels etc.), mining, nuclear, alcohol, tobacco, gambling or livestock management projects (for industrial scale meat, or dairy farms and processing units) are excluded.

SYNDICATION FUNCTION

Mobilization Mandate

- OPEC Fund is committed to increase its efforts for mobilizing private capital for impactful development and creating opportunities for economic growth.
- OPEC Fund has a strong track-record of cross-border collaboration in addressing global development needs and keen to arrange increasingly more syndicated loan transactions in its countries of operations.

Structuring and Distribution Capabilities

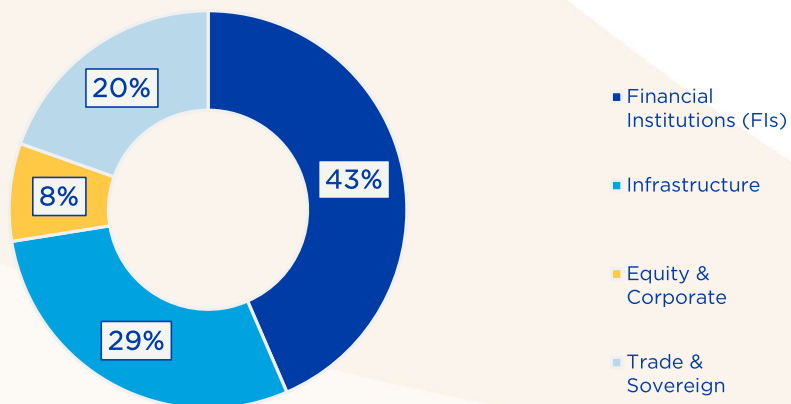
- OPEC Fund has a proven ability to structure bankable deals and mobilize resources for impactful development
- The Syndication Function has an extensive network of investors comprised of international, regional and local banks as well as impact funds, insurance companies and other institutional investors globally

Mobilization Products

- **Funded:** Syndicated Loans can be structured both in A/B Loans and Parallel Loans format depending on the jurisdiction and the type of investors.
 - *A/B Loans:* OPEC Fund remains the lender of record for the entire loan. The loan agreement is signed solely between Borrower and OPEC Fund and the Participants sub-participate in OPEC Fund's B-Loan through a participation agreement.
 - *Parallel Loans:* Investors become lender of record by signing separate loan agreements directly with Borrower.
 - **Unfunded Risk Transfers:** This is a risk-sharing scheme that enables insurance companies to take exposure in transactions originated by the OPEC Fund. OPEC Fund only engages with highly rated insurers (A-AA rated).

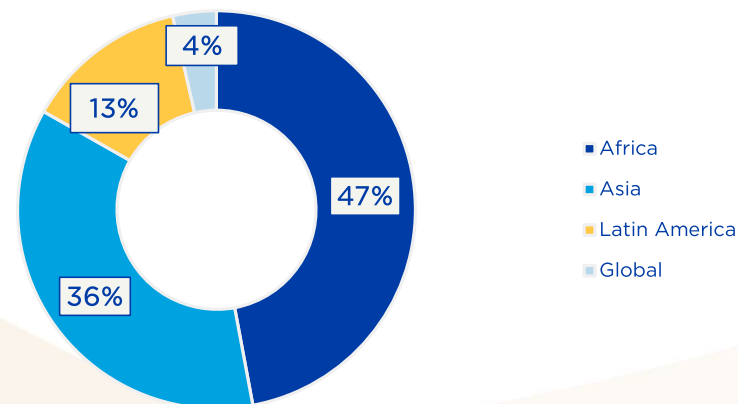
PORTFOLIO EXPOSURE

Sectors outstanding



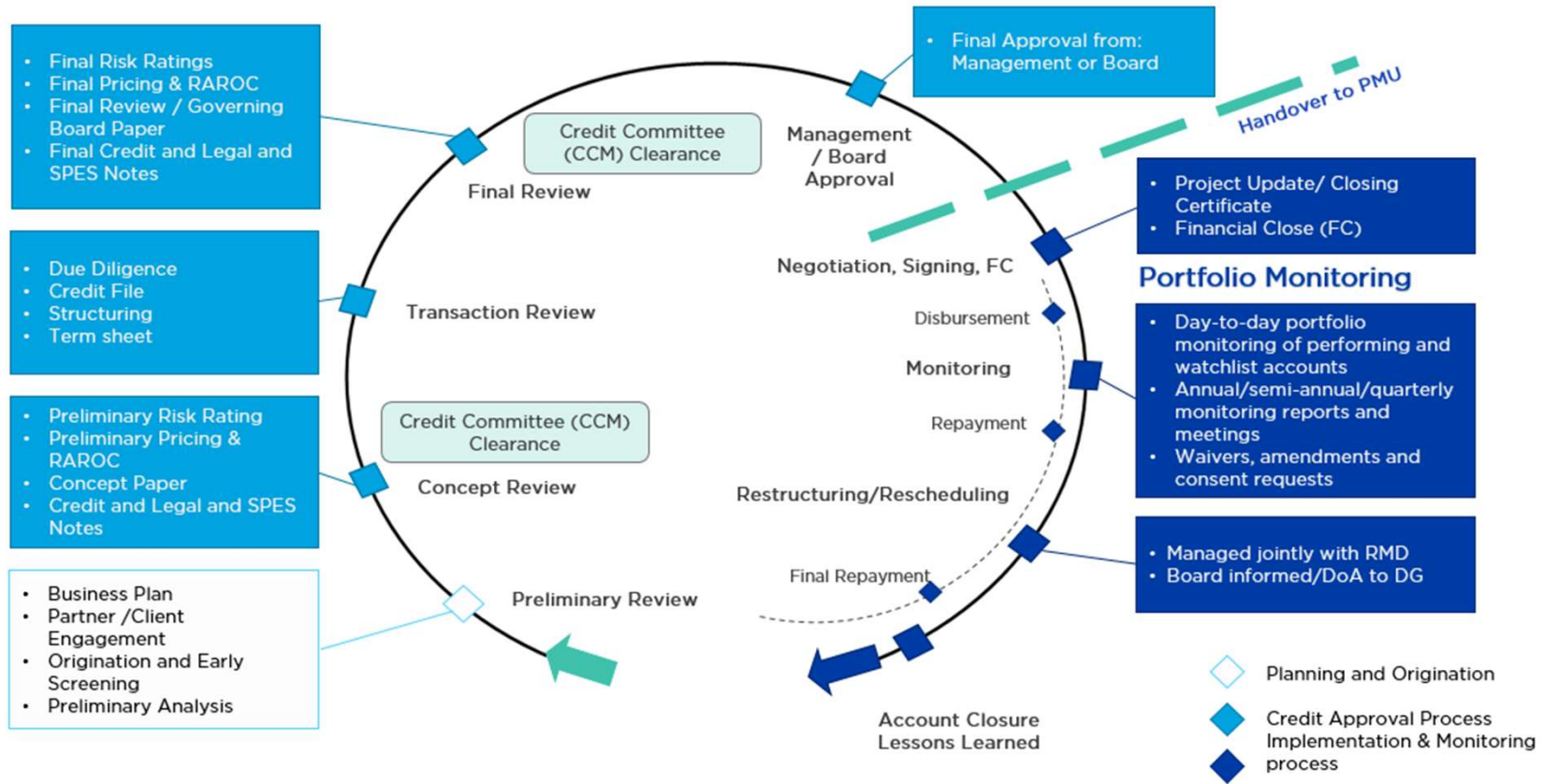
- **Financial Institutions (FIs):** Lending to MSMEs, International Trade, Gender Finance, Green Finance, Infrastructure, Capital Strengthening
- **Infrastructure (Real Economy - RE):** Construction and Operation of infrastructure projects, primarily through senior debt across various sectors, e.g. power,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

Regions outstanding



- **Africa**
 - o High Framework Agreement coverage, but lack of opportunities
 - o Low rating and high-risk profile
 - o Balanced presence in FIs and Infrastructure
- **Asia**
 - o Low coverage due to lack of Framework Agreements, but opportunities available in Central Asia primarily (growth region)
 - o Balanced presence in FIs and Infrastructure
- **Latin America**
 - o Low coverage due to lack of Framework Agreements
 - o Presence is mostly in FIs

INVESTMENT PROJECT CYCLE



ACHIEVEMENTS & STRATEGIC INNOVATIONS

WHAT WE HAVE DONE IN 2024

Member Country Engagement

- ✓ ACWA Wind Power Egypt
- ✓ Syndication Function signed Banco Continental as the Sole Coordinator (Commercial Bank of Dubai as B Lender)
- ✓ Banesco Loan owned by Banesco Group Venezuela

Visibility

- ✓ 25 Years Private Sector Anniversary

Innovative Transactions

- ✓ 2 Sustainability Linked Loans signed in 2024

Portfolio Quality

- ✓ Maintain WARR of 13
- ✓ Manage NPL of $\pm 1\%$ of OCR Portfolio

Enhanced Products

- ✓ NSO Equity Approach
- ✓ Bond Financing Paper
- ✓ Structuring Real Economy

STRATEGIC INNOVATION IN 2025

Risk Transfer Arrangements

- ✓ Provide additional headroom for sectors/obligors/countries
- ✓ Ability to increase ticket size for newly syndicated large transactions

Equity Investments

- ✓ Increase Profitability
- ✓ Providing access to potential debt financing

Other Key Innovations

- ✓ Real Economy Structuring
- ✓ Sector Focus Approach / Technical Career Track
- ✓ Bonds Financing Implementation
- ✓ Local Currency Financing Implementation
- ✓ Blended Finance Implementation

RECENT HIGHLIGHTS

Egypt

Project: Gulf of Suez 1,100MW Wind Power Plant

Sector: Energy

Loan amount: US\$30 million

Borrower: Suez Wind—a joint venture between ACWA Power and HAU Energy

Co-financiers: EBRD, DEG, SCB, AFDB, EBRD, CDC, APICORP

The OPEC Fund has co-financed Africa's largest onshore wind power project, contributing US\$30 million to the construction of two 550 MW wind farms with a total capacity of a 1.1 GW in Egypt's Gulf of Suez region to power more than 1 million homes and reduce carbon emissions by around 2,5 million tons per year.

Africa

Project: Supporting Smallholder Farmers in Africa

Sector: Agriculture

Loan amount: US\$40 million

Borrower: ETC Group (ETG)

Co-financiers: FMO, TDB, DEG, FINDEV, Proparco

The OPEC Fund has signed a US\$40 million loan as part of a US\$394 million sustainability-linked loan for ETC Group (ETG), one of Africa's largest agricultural commodity supply chain managers. The financing will enhance ETG's working capital, strengthen food systems and support the livelihoods of more than 600,000 smallholder farmers across sub-Saharan Africa.

Uzbekistan

Project: Sirdarya 1,500MW CCGT Power Plant

Sector: Energy

Loan amount: US\$50 million

Borrower: ACWA Power

The OPEC Fund has provided a US\$50 million senior loan to finance the design, engineering, construction, operation and maintenance of a 1,500 MW combined cycle power plant in Sirdarya, Uzbekistan.

The project is being developed based on the need to replace old and inefficient plants. The Country is looking to replace up to 3 GW of old thermal capacity most of which are in the Sirdarya region.

Paraguay

Project: Supporting SMEs in Paraguay

Sector: Financial Institution

Loan amount: US\$50 million

Borrower: Banco Continental

The OPEC Fund has arranged a syndicated loan with a US\$50 million facility for the benefit of Banco Continental in Paraguay. While the OPEC Fund will contribute US\$25 million from its own resources as A-lender, it has also mobilized a US\$25 million B-loan from Commercial Bank of Dubai. The OPEC Fund acted as sole Bookrunner, Mandated Lead Arranger and Facility Agent.

CONCLUSION

- Private Sector remains a cornerstone of OPEC Fund operations, especially given the increased importance of the private sector in developing markets.
- Key contributor to strategic objectives including financial sustainability, competitiveness and developmental impact.
- Private Sector continues to successfully enhance relationships with Clients – resulting in strong demand for OPEC Fund financing, managed via internal policies.
- Private Sector strategic priorities are designed to balance high-impact development initiatives with financial sustainability, aligned with Strategic Framework 2030.

THANK YOU!

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ANNEX

STRUCTURED APPROACH

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Overarching
Strategic Objective

Contribute to Transformational Growth

Development Impact

Areas of Focus

Cross Cutting Issues



Financial
Institutions



Real
Economy



Trade



Food
Security



Climate Action

- Debt
- Guarantee
- Equity

- Project Preparation
- Risk Sharing
- Technical Assistance

- Syndications
- New Solutions (Bonds and Local Currency)

Enhanced Product and Service Offering

Deliver on the OPEC
Fund Mandate

①

Enhance Pipeline
Generation
Capabilities

②

Safeguard OPEC
Fund's Interests

③

Foster OPEC Fund's
Catalytic Effect

④

Strengthen PSTFOD
Operational
Capabilities

⑤

More Internal Capabilities



Expanding A/E/P



Review DOA



Risk Transfer



Human Resource



Adjusting Budget



New Finance Solutions

Strategic
Priorities

Strategic
Enablers

Case Study

Gulf of Suez 1,100 MW

Wind Power Plant

Egypt



Private Sector Collaboration in Clean Energy: Gulf of Suez Project

PROJECT OBJECTIVES



Significantly **increase** the contribution of **renewable energy** in the Egypt's growing electricity demand



Provide a **cost-effective and stable** source of electricity through fixed-price PPAs (Power Purchase Agreements).

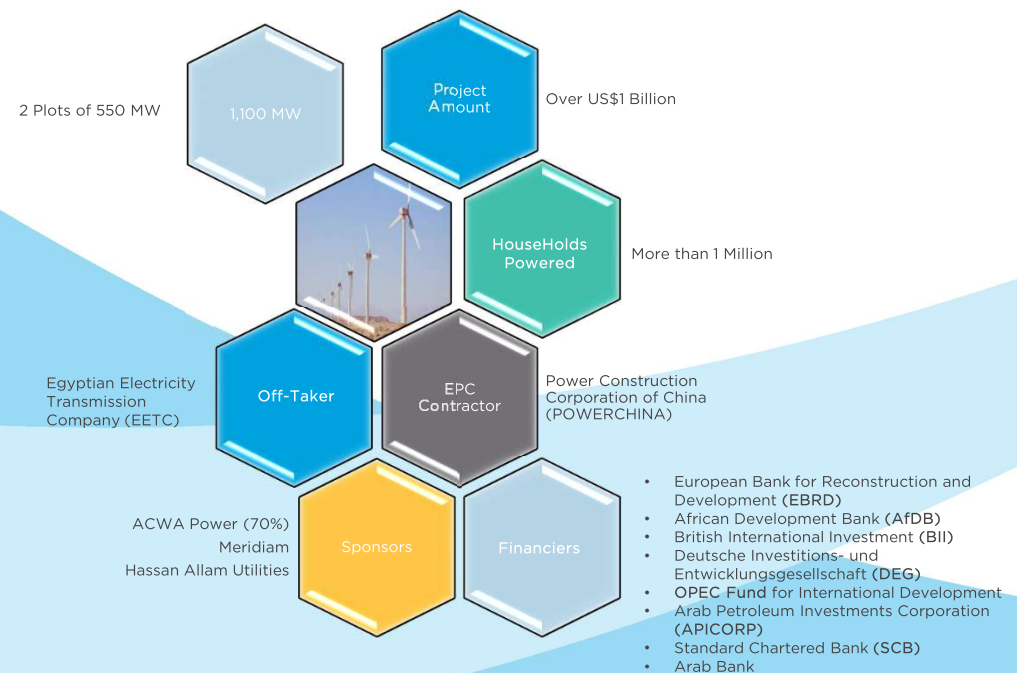


Catalyze private sector investment in renewable energy and support **job creation**.

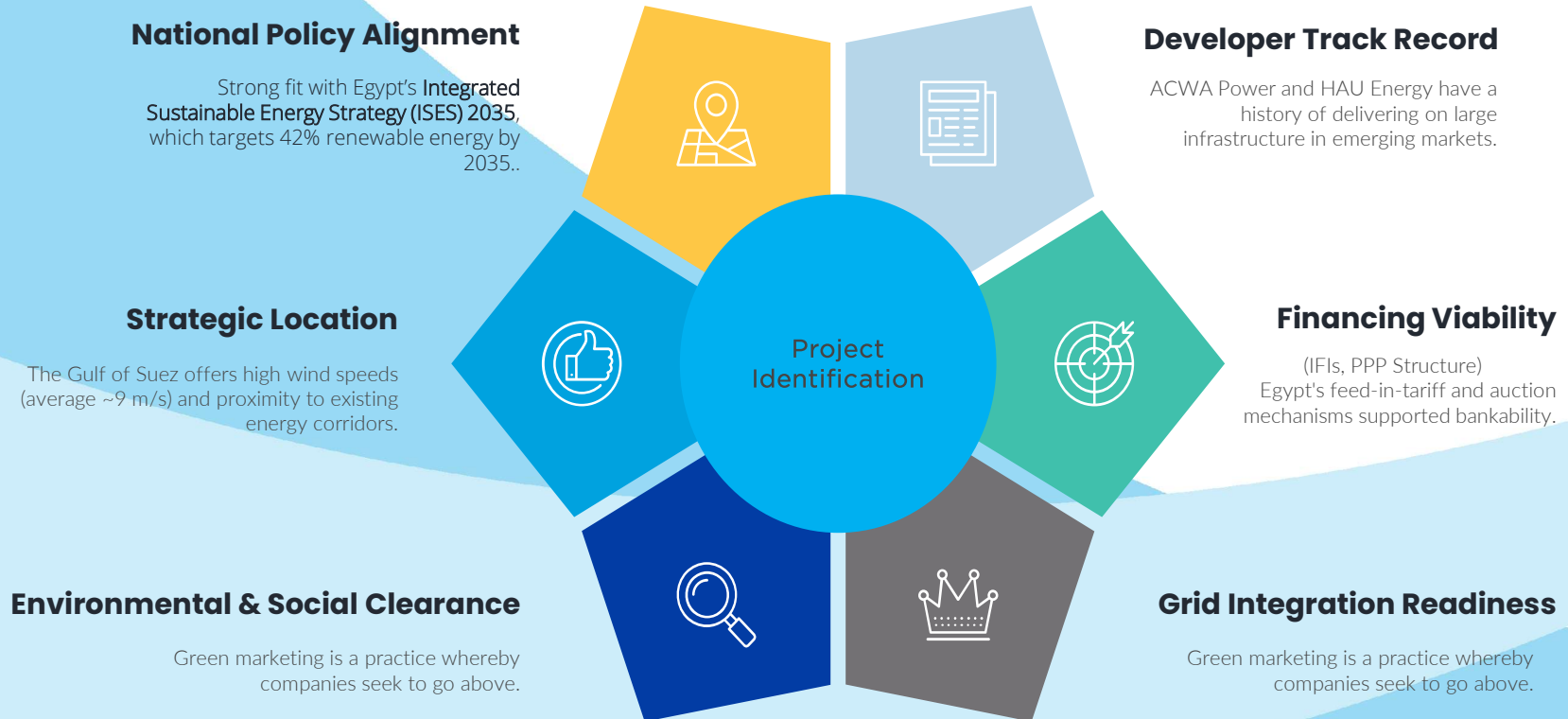


Mitigate the environmental impact of power generation by avoiding approximately **2.5 million tons of CO₂ emissions per year**.

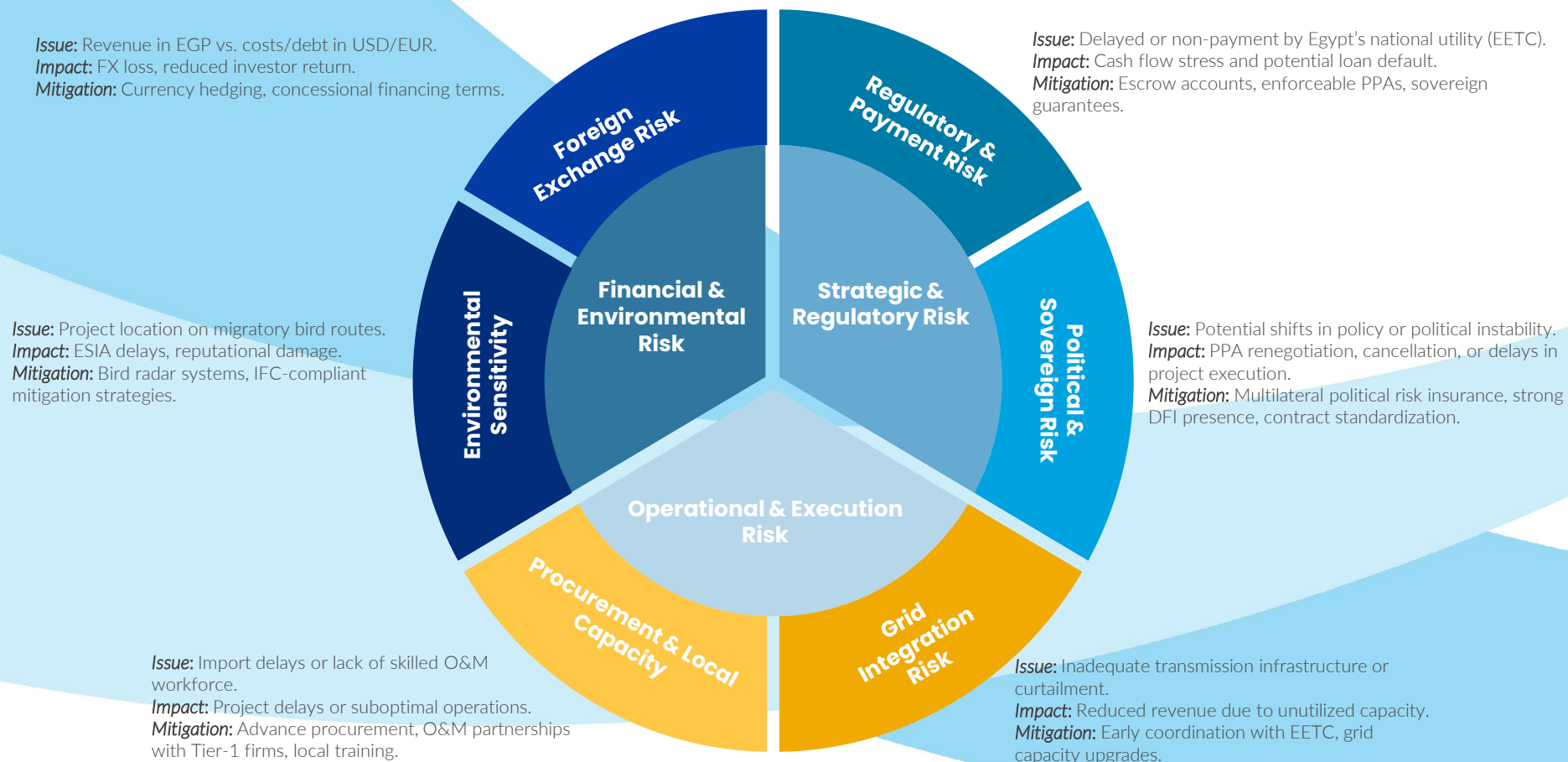
PROJECT PARAMETERS



Project Identification Considerations



Known and Anticipated Challenges & Risks



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