

Application for Political Risk Investment Insurance

Overseas Private Investment Corporation

An Agency of the United States Government
1100 New York Avenue, NW
Washington, DC 20527
<http://www.opic.gov>

Insurance Department

Tel.: (202) 336-8400
Fax: (202) 408-5142

NOTICE: This form requests from potential OPIC clients information that is required by OPIC's governing legislation - the Foreign Assistance Act of 1961, Title IV, as amended ("FAA") - to determine whether a project and its sponsor(s) meet eligibility criteria for OPIC political risk insurance. Complete responses to the questions on this form are required to apply for OPIC insurance benefits under the FAA. Client information contained in this questionnaire will be deemed designated as privileged or confidential in accordance with OPIC's Freedom of Information Act (FOIA) regulations (22 CFR part 706) and will be treated as confidential to the extent permitted under FOIA. As a federal agency, OPIC may not conduct or sponsor, and a person is not required to respond to, a collection of information unless a valid OMB Control Number with an expiration date that has not expired is displayed.

Public reporting burden for this collection of information is estimated to average 7 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspects of this collection of information, including suggestions for reducing this burden, to Forms Manager, Office of Management Services, Overseas Private Investment Corporation, 1100 New York Avenue, N.W., Washington, D.C. 20527; and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, D.C. 20503.

Application for OPIC Political Risk Insurance

The information requested on this form is needed to determine whether the Investor and the project meet eligibility requirements for OPIC insurance, specifically with regard to underwriting criteria and legislative and regulatory compliance. Information provided to OPIC must be accurate as of the date an OPIC contract is issued. Responses to questions that call for estimates or projections should take the form of good faith statements made to the best of the Investor's knowledge and belief, after due inquiry. Misrepresentations or failure to disclose relevant information may result in the cancellation of insurance. Neither issuance of a registration letter nor acknowledgment of receipt of this application implies that the investment is eligible for political risk insurance or that a contract will be issued.

The information contained in this application will be designated as privileged or confidential in accordance with the Freedom of Information Act (FOIA) regulations (22 CFR Part 706) and will be treated as confidential to the extent permitted OPIC by FOIA.

INSTRUCTIONS:

If you use an attachment to answer any of the questions in this application, please write "see Attachment" in the appropriate answer block and be sure to indicate on the attachment the number of the question it is intended to answer.

All applicants must fill out Parts 1 through 12.

1. All applicants must provide the certifications requested in Parts 2, 9 and 10.
2. Note in Part 11 that further information may be required.
3. All applicants applying for OPIC insurance must sign this application in Part 12. If an Investor is applying for OPIC insurance on behalf of other eligible Investors, OPIC also will require the ultimate beneficiary Investors to sign this application.
4. Please contact an insurance officer at (202) 336-8400 if you have any questions about this application.
5. When completed, please submit:

(a) Completed application, and

(b) One (1) copy of all supporting documentation to:

Applications Officer – Insurance Department
Overseas Private Investment Corporation
1100 New York Avenue, N.W.
Washington, DC 20527.

PRIVILEGED BUSINESS INFORMATION

Part 1: Investor Information (Investor to be Insured by OPIC)

1. Name of Investor:

Address:

City: State: Zip or Postal Code: Country

Telephone: Fax: Email:

2. Type of Investor (check one box only):

Entity Organized Under U.S. Law

(a) Is more than 50 percent of both the total equity interest and each class of equity interests issued by the Investor and outstanding on the date hereof beneficially owned by U.S. citizens? Yes No

(If No, please contact OPIC before proceeding. OPIC deems a corporation organized under the laws of the United States or its states or territories to be beneficially owned by U.S. citizens if more than 50 percent of each class of its issued and outstanding stock is owned by U.S. citizens either directly or beneficially.)

Individual Investor

(a) Is the Investor a citizen of the United States? Yes No

Entity Organized Outside of the United States

(a) If organized other than as a corporation, is 100 percent of both the total equity interest and each class of shares or equity interests issued by the Investor and outstanding beneficially owned by U.S. citizens? Yes No

(If No, please contact OPIC regarding Investor eligibility before proceeding)

(b) If a corporation, is 5 percent or more of any class of equity interests or shares issued by the Investor and outstanding beneficially owned by persons other than U.S. citizens? Yes No

(If Yes, please contact OPIC regarding Investor eligibility before proceeding)

3. Name of Person OPIC should contact for information:

Title:

Company:

Address:

City: State: Zip or Postal Code: Country:

Telephone: Fax: Email:

PRIVILEGED BUSINESS INFORMATION

4. How did you learn about OPIC and its services?

- conference OPIC website other governmental agency (SBA, TDA, EXIM)
- insurance broker former OPIC clients other (please explain)

Part 2: Private Political Risk Insurance

OPIC strongly encourages Investors to consider carefully the availability of private political risk insurance for their investments abroad. OPIC only offers insurance to Investors who, having investigated the possibility of obtaining insurance from private political risk insurers, decide to pursue OPIC insurance because private insurance is not available on terms sufficient to make the investment viable for the Investor, or because of specific benefits OPIC participation will bring to the investment. To assist us in meeting this objective, OPIC requests that applicants respond to the following questions:

5. Have you sought political risk insurance from the private market (e.g., AIG, Chubb, Unistrat, Sovereign, Zurich) for the project? Yes No
6. If so, is insurance available from private political risk insurers? Yes No
7. In either event, please indicate at least two of the private market political risk insurers with which you have discussed this project.
- 1.
- 2.
8. (a) If private political risk insurance is available, is it in the amount necessary and on terms sufficient for the project's viability? Yes No
- (b) If yes, why is political risk insurance being sought from OPIC? If no, please explain.

Part 3: Project Information

9. OPIC Registration of Insurance Number: _____
(see letter from OPIC registering the project for number assigned)
10. Briefly describe the project. Please attach a copy of information memoranda, business plans, or other descriptions of the project that would be helpful to OPIC's understanding of the project.

PRIVILEGED BUSINESS INFORMATION

11. Please specify whether this is: an expansion of an existing enterprise a new (greenfield) enterprise
 privatization of a state-owned company other (please explain)

12. Where is the project located? *(Please attach a map showing the location)*

13. Describe any host government involvement in the project.

14. Name of the entity in the host country into which the investment will be made (the "Foreign Enterprise"):

Address:

City:

State:

Zip or Postal Code:

Country:

Telephone:

Fax:

Email:

15. Please identify and describe briefly any current or past disputes with respect to this project that involve any agency or instrumentality of the host government. Include all disputes with any agency or instrumentality of the host government that have in the past involved or currently involve the Investor, the Foreign Enterprise, or any participants in the project.

Part 4: Investor Representations

16. ELIGIBILITY TO CONDUCT BUSINESS WITH THE UNITED STATES GOVERNMENT

Is the Investor, any related party or affiliate of the Investor, or any supplier to the project currently suspended, debarred or voluntarily excluded from procurement or nonprocurement dealings with the United States Government (*Executive Order 12549 February 18, 1986, 51 CFR 6370*)? Yes No

(If Yes, please contact OPIC regarding Investor eligibility before proceeding.)

PRIVILEGED BUSINESS INFORMATION

25. Use of Project Funds

Initial Project Expenditures refers to the costs included in Question 23(e) above, including land, buildings, raw materials, equipment, labor, services, working capital and other costs. *Subsequent Operational Procurement* refers to the average annual value over the first five years of procurement necessary for the project's continued operation, including raw materials, labor, services, working capital and other costs that are generally funded by the project's revenues.

	<u>Column 1</u> Initial Project Expenditures	<u>Column 2</u> Subsequent Operational Procurement (Annually)
(a) Purchased or spent in the host country*	\$ _____	\$ _____
(b) Purchased from the United States**	\$ _____	\$ _____
(c) Purchased from other developing countries (specify)	\$ _____	\$ _____
(d) Purchased from other industrialized countries (specify)	\$ _____	\$ _____
TOTAL:	\$ <u>_____</u>	\$ <u>_____</u>

(Note: Initial Project Expenditures should equal total figure given for 23 (e) above)

**Indicate any host country procurement consisting of fees that are also counted in Question 26 – Host Government Revenues, below. **OPIC considers U.S. procurement to be equipment manufactured by, or services provided by, U.S. workers. Equipment or services sourced from U.S. subsidiaries overseas should be listed in 25 (c) or (d) above. Indicate what amounts and categories of funds spent in the U.S. for debt financing, lease payments or fees are also accounted for in Question 26 below.*

26. Destination of Project's Sales or Production

Estimate the project's average annual direct sales revenues by country. If project production involves more than one product, please list the products in an attachment and specify a percentage breakdown by product. If project production will be used as a component or other input into another product, indicate the final destination and value of that product.

- (a) Sold in host country: \$ _____
- (b) Exported to the United States: \$ _____
- (c) Exported to other countries: \$ _____
- Country: _____ \$ _____
- Country: _____ \$ _____
- Country: _____ \$ _____
- Country: _____ \$ _____

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27. Financial Returns

Please indicate average annual remittances over the first five years of project operations.

(a) Financial returns to the United States

(This includes funds returning to the United States only. Do not include funds going to U.S. accounts overseas.)

- (i) Loan principal and interest: \$ _____
- (ii) Lease payments: \$ _____
- (iii) Dividends or profits: \$ _____
- (iv) Returns of capital (partial / total disinvestments): \$ _____
- (v) Fees (license, royalties, technical assistance, etc.): \$ _____

(b) Remittances to third countries

(i.e., not to the United States or the host country): \$ _____

Part 7: Developmental Effects

28. HUMAN CAPACITY BUILDING

Indicate the number of persons employed by the project during project construction (if applicable) and at fifth year of operation. If the project is an expansion, include employment resulting only from this expansion of the enterprise.

	<u>Management</u>		<u>Professional / Technical</u>		<u>Unskilled Labor</u>	
	Construction	5 th Year	Construction	5 th Year	Construction	5 th Year
Local	_____	_____	_____	_____	_____	_____
Expatriate	_____	_____	_____	_____	_____	_____
Total	_____	_____	_____	_____	_____	_____

(a) For the nonconstruction jobs identified above, indicate the percentage that will receive formal training in each category:

Management (%) **Professional / Technical** (%) **Unskilled Labor** (%)

(b) Will the project provide training outside of the host country? Yes No

If Yes, please indicate countries where training will take place:

PRIVILEGED BUSINESS INFORMATION

29. PRIVATE SECTOR DEVELOPMENT

- (a) What will be the percentage of local ownership of the project at the start of operations? _____ %
- (b) If there is local ownership, is the local owner an SME? Yes No
- (c) Will the project encourage private ownership, such as through privatization or creation of opportunities for individual property (including home) ownership? Yes No

30. LEVERAGING IMPACTS

- (a) Will the project involve other federal / regional / multilateral organizations (such as AID, TDA, IFC, ADB, MIGA, etc.)? Yes No

If Yes, please explain.

- (b) Will the project involve a public-private partnership (e.g., thru local development bank / ministry / NGO)?

Yes No

If Yes, please explain.

31. SOCIAL EFFECTS (GOOD CORPORATE CITIZENSHIP)

- (a) Does the project company have an equal employment policy over and above the local law that will be applied to the proposed investment? Such a policy would cover gender, ethnicity, and social affiliation. Yes No

If Yes, please explain.

- (b) Will there be any benefits or policies in place that specifically address the needs of women in the workplace? Yes No

If Yes, please explain.

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- (c) Will the project benefit a poor (e.g., rural) region of the host country? Yes No

If Yes, please explain.

- (d) Will the project extend benefits to its employees? Yes No
(e.g., health coverage, daily meals, transportation, or housing assistance)

If Yes, please explain.

- (e) Will the project provide benefits to the local community? Yes No
(e.g., recreational facilities, community center, schools, or medical clinics)

If Yes, please explain.

- (f) Does the project directly restore or preserve the environment? Yes No
Examples are pollution reduction, ecotourism, reforestation, water treatment (clean-up), or wildlife conservation.

If Yes, please explain.

32. DEVELOPMENTAL INFRASTRUCTURE IMPROVEMENTS

- (a) Will the project strengthen the *physical* infrastructure of the host country? Yes No
(e.g., communications, power, transportation)

- (b) Will the project strengthen the *financial* infrastructure of the host country? Yes No
(e.g., micro finance, on-lending, mortgage lending, or financial market development)

- (c) Will the project strengthen the *social* infrastructure of the host country? Yes No
(e.g., nutrition, shelter, water and sanitation, health, or education)

If you answered Yes to any of the above questions, please indicate the economic status of the user population.

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33. MACROECONOMIC AND INSTITUTIONAL EFFECTS

Estimate average annual revenues (duties, taxes, or other payments) to the host government resulting from the project's first five year's of operation. If any amount listed includes host country procurement that is also counted in Question 25 (a), Column 2, please so indicate.

(a) Duties, taxes, or other payments: \$ _____

(b) Duties and taxes lost as a result of the investment: (e.g., due to import substitution): \$ _____

(c) Is the investment being implemented in the context of a government regulatory, judicial, or other institutional reform program? Yes No

If Yes, please describe the reform program.

(d) As a result or condition of this investment, will the government implement regulatory, judicial or other institutional reforms? Yes No

If Yes, please describe the reforms.

34. TECHNOLOGY AND KNOWLEDGE TRANSFER / COMPETITIVE IMPACTS

(a) Will the project introduce innovative management practices? Yes No

If Yes, please explain.

(b) Will the project bring new marketing and distribution strategies to the host country? Yes No

If Yes, please explain.

(c) Will the project apply new production technology for the first time? Yes No

If Yes, please explain.

PRIVILEGED BUSINESS INFORMATION

(d) Will the project market products available for the first time? Yes No

If Yes, please explain.

(e) Will the project lower local prices? Yes No

If Yes, please explain.

(f) Will the project contribute to the economic diversification of the host country? Yes No

If Yes, please explain.

Part 8: Worker Rights

OPIC is required by statute to ensure that the project will not contribute to violations of internationally recognized worker rights. These rights are defined to include:

- (a) freedom of association;
- (b) the right to organize and bargain collectively;
- (c) prohibition of forced or compulsory labor;
- (d) minimum age for employment; and
- (e) acceptable conditions of work with respect to minimum wages, hours of work and occupational health and safety.

All OPIC political risk insurance contracts include language to ensure that the project is operated in accordance with internationally recognized worker rights. Since host country labor laws and practices vary, this language may be supplemented on a case-by-case basis to ensure that the project does not contribute to worker rights violations in the host country.

35. Will the Investor have sufficient control over labor-management relations to ensure that the project does not contribute to violations of worker rights as defined above? Yes No

If No, please explain.

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36. If investing in, lending to, or acquiring an existing enterprise, is the work force organized in a trade union?

Yes No

(a) If you answered Yes, is the trade union recognized by the management? Yes No

(b) If you answered Yes, is the trade union recognized by the host government? Yes No

37. If investing in a new enterprise or existing enterprise with a non-unionized work force, does the Investor anticipate that the work force will be unionized? Yes No

Please explain.

Part 9: Insurance of Exports Certification

38. OPIC seeks to ensure that American insurance companies have an opportunity to compete for transportation insurance business associated with the export of goods to projects supported by OPIC programs. To encourage fair and open competition for this business, OPIC requires certain certifications from Investors receiving OPIC insurance. Please check the appropriate box below:

(a) No certification is required if an Investor receiving OPIC insurance **does not** have a controlling interest in the project in which it is investing. (A "controlling interest" means that the Investor has a majority equity interest in the project or can exercise effective management control by agreement or otherwise.) If your firm does not have a controlling interest in the project, please check box (1) below and proceed to the next Section.

(1) The Investor **does not** have a controlling interest in the project.

(b) In those instances where the Investor **does** have a controlling interest in the project, OPIC requires that the Investor certify that each contract for the export of goods from the United States in connection with the establishment of the project will include a clause requiring that United States insurance companies shall have a fair and open competitive opportunity to provide insurance against risk of loss for such export of goods. If Investor is able to so certify, please check the box (2) below.

(2) I certify that each contract for the export of goods from the United States in connection with the establishment of the project will include a clause requiring that U.S. insurance companies shall have a fair and open competitive opportunity to provide insurance against risk of loss for such exports.

(c) In those instances where the Investor **does** have a controlling interest in the project, but is unable to provide the certification requested in Question 38 (b) above, please check the appropriate box below.

(i) The project country prohibits use of U.S. insurance services for transportation insurance.

(ii) There are no exports associated with the establishment of this project.

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- (iii) All transportation insurance associated with the export of U.S. goods to the project is or will be arranged through the Investor's pre-existing worldwide insurance program, for which U.S. insurance companies were given a fair and open opportunity to compete. It is not practicable to alter these arrangements for U.S. exports to the project.
- (iv) Other (please explain):

Part 10 : Foreign Narcotics Kingpin Act Certification

By law (the Foreign Narcotics Kingpin Act, 24 U.S.C. 1901-1908 (the "Act") and Executive Order 12978 (the "Executive Order"), OPIC is prohibited from engaging in a transaction involving (i) persons designated by the President of the United States as significant foreign narcotics traffickers ("SDNTKs") or anyone who in any way aids or abets a SDNTK and (ii) any person designated by the Office of Foreign Assets Control ("OFAC") of the U.S. Department of Treasury as a specially designated narcotics trafficker ("SDNTs") or anyone who in any way aids or abets a SDNT and is required to use diligence to ensure that it is not, in supporting a project, doing so. To comply with its statutory obligations under the Act and the Executive Order, OPIC requires certification, by signing this form, that to the best of your knowledge and belief, after due inquiry, none of the participants,¹ or proposed participants in the transaction is a SDNTK or an SDNT or an aider or abettor thereof.²

Applicant certifies that, to the best of its knowledge and belief, after due inquiry, no participant or likely participant, in the transaction for which the undersigned has requested OPIC political risk insurance is designated by OFAC as an SDNTK or an SDNT, or an aider or abettor thereof. Applicant further certifies that, to the best of its knowledge and belief, after due inquiry, Applicant is in compliance with all requirements of the Act and the Executive Order.

Part 11: Additional Information

Depending on the type of project for which OPIC insurance is being requested and the country in which it is located, OPIC may request additional information, including, but not limited to, the following:

Environmental effects.

Most OPIC political risk insurance contracts include language to ensure that the project is operated in accordance with World Bank and local standards. For projects that have the potential to result in adverse and/or significant environmental impacts, OPIC will require the Investor to 1) provide information sufficient for OPIC to complete an adequate environmental review or 2) submit an environmental impact assessment, and the environmental requirements in the OPIC contract may be supplemental as appropriate.

Worker safety.

OPIC must ensure that projects receiving its support do not have a major or unreasonable adverse effect on worker safety and may request information regarding training, equipment, and applicable health and safety standards at the project.

¹ Participant includes, but is not limited to, corporations and their shareholders, officers, and directors; partnerships and their partners; limited liability companies and their members; limited liability partnerships and their partners; trustees and beneficiaries of trusts, lenders, joint venturers in any way participating in the transaction for which political risk insurance is requested, including, but not limited to, sponsors, investors, the foreign enterprise, and O&M and EPC contractors of the foreign enterprise.

² The names of persons designated as SDNTKs and SDNTs may be determined by contacting OFAC at 202 622-2490 or by viewing a listing of SDNTKs and SDNTs on the OFAC web site (www.ustreas.gov/ofac/).

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Economic effects.

Depending on the type of project for which OPIC support is requested, OPIC may require further information regarding the effect of the project on the host country's development and on the U.S. economy.

Developmental effects.

OPIC may request additional information on the positive impact of the project on the host country development, including any infrastructure development, the quality and availability of comparable products, procurement from local businesses, employee training, etc.

Part 12: Signature

Each Investor must sign this application.

APPLICANT (Investor): _____

BY: _____ DATE: _____

PRINT NAME AND TITLE: _____

APPLICANT (Investor): _____

BY: _____ DATE: _____

PRINT NAME AND TITLE: _____

By signing this form, the Investor(s) hereby represents and warrants that (a) this form is identical in all material and substantive respects to OMB form No. 3420 0011 sent to the Investor by OPIC and (b) that the Investor understands that OPIC shall regard the Investor's answers to the questions on this form to be answers to the questions as asked on OMB form No. 3420 0011.