37th USAEE/IAEE North American Conference

Energy Transitions in the 21st Century

Energy Entrepreneurship and Finance

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The Stevenson Group
U.S. TRADE AND DEVELOPMENT AGENCY (USTDA)

- **Promotes U.S. exports** to advance economic development in developing & middle-income countries.

- **Connects foreign project sponsors with U.S. manufacturers** and service providers to promote exports for U.S. companies.

- **Conducts reverse trade missions** to bring non-U.S. decision-makers to the U.S. to visit U.S. companies that can help them meet their development goals.

- Works with U.S. private sector in project design to promote the export of American goods and services.

- **Offers grants directly to overseas sponsors, who select U.S. companies to conduct USTDA project preparation tasks.** This includes feasibility studies; technical assistance; and training programs. USTDA’s criteria for feasibility studies favors U.S. based companies that are more than 50% owned by U.S. citizens and legal residents.
- In October, USTDA requested proposals for a feasibility study for an Integrated Solar and Energy Storage Project in Thailand.

- USTDA’s **Gas Infrastructure Exports Initiative** connects American companies to export opportunities in the gas value chain in emerging markets. USTDA has supported projects in 71 countries that has generated $7.4 billion in exports.

- An example would be Mozambique’s $30 billion LNG project that is led by ExxonMobil and ENI, and which received a U.S. EXIM BANK $5 billion loan commitment for suppliers.
U.S. International Development Finance Corp. (USIDFC)

- The Development Finance Corporation (DFC) was created by the bi-partisan BUILD Act, which was enacted in 2018, that merged OPIC (Overseas Private and Investment Cooperation) and USAID’s Development Credit Authority.

- The goal of the Development Finance Corporation is to stimulate American investment in emerging markets that have not been favored by Americans, and which have turned to state-directed investment from authoritarian regimes.

- The merger doubled OPIC’s lending cap to $60 billion, continues loan guarantees and insurance, and empowered DFC to make equity investments. It also offers local currency loans, first loss guarantees, and small grants to reduce risks. DFC offers a “preference” rather than a “requirement” for U.S. investors, which expands partnership opportunities with foreign investors.
U.S. EXPORT/IMPORT BANK (EXIM)

- The U.S. EXIM Bank is the export credit agency of the USG. It finances transactions that commercial lenders decline due to political or commercial risks involved. EXIM provides a variety of loan, guarantee, and insurance products to support the export of U.S. goods and services.

- The EXIM Bank, which was established in 1934, has been targeted by conservative Members of Congress in the past decade for being a tax-payer subsidy to large corporations. To make its point, Congress has refused to approve Board nominations, which has limited EXIM’s lending commitments to $10 million per transaction. This limit primarily affected aircraft sales and power plants.

- In May 2019 Congress approved the Administration’s EXIM Board nominations, creating a quorum that allowed the Board to approve large transactions. As a result, in September the EXIM Board authorized a direct loan up to $5 billion to support the export of
goods and services to Mozambique LNG1 Financing Company Ltd. for the development and construction of the LNG plant in northern Mozambique. Exxon Mobil is a leader in this $30 billion project which also includes Italian ENI, Korea Gas Corp and China National Petroleum Corp. ExxonMobil awarded the $3.7 billion EPC contract to a consortium including JGC of Japan, Fluor of the U.S. and U.K based TechnipFMC.

- The investment in Mozambique’s LNG resources exceeds its current GDP and has the potential to transform its economy and create diverse investment opportunities.