

The background of the slide is a photograph of an industrial facility, likely a refinery or chemical plant, at night. The scene is illuminated by artificial lights, highlighting the complex network of pipes, scaffolding, and towers. A prominent feature is a tall, multi-level distillation column in the center. The sky is dark with some light clouds. Overlaid on the image is a large, semi-transparent dark grey rectangle containing the main title and subtitle. To the left of this rectangle is a vertical green bar with a white border. Below the rectangle is a horizontal green bar with a white border.

# US EXIM AND PROJECT FINANCE

International Trade & Transportation

# AGENDA

- ECA role in Project Finance
- US EXIM Bank
- Content Policy
- Key Documents
- MARAD and PR-17
- Portal



# ECA ROLE IN PROJECT FINANCE

- Without Long Term Financing, there will not be a capital project
- Limited Recourse “Project Finance” dependent on Project cash flow for repayment of the loan
- In today’s environment Project Sponsors will typically require 30-60% participation from Export Credit Agency(ies) for FID
- “Tied” ECA’s require goods & services be procured from their home countries, evidenced by documentation
- Project Sponsors look to EPC Contractors to provide majority of ECA-eligible content

# US EXIM BANK

Generally

- US EXIM is the official Export Credit Agency of the United States
- Signatory to the OECD “Arrangements”
- No limits on transaction size, subject to meeting content requirements
- Fixed-rate financing with interest rate set at the Commercial Interest Reference Rate (CIRR) at first disbursement
- Comprehensive Coverage of commercial and political risks
- Normally 12-14 year term, plus construction period







## US EXIM BANK

What is Financeable?

- Up to 85% of U.S. goods and services
- Additional financing for Local Cost goods and/or services up to 30% of the total US contract value of U.S. goods and services
- Local Cost financed at 100% invoice value
- Ancillary services and fees (legal, financial advisors/consultants, bank, etc.)
- Capitalized interest during construction period
- Exposure Fee

# CONTENT POLICY

Generally

- Most misunderstood of all US EXIM Bank Policies
  - EXIM Bank will finance the lesser of 85% of the net contract price or 100% of the U.S. Content
    - US Content is exclusively established via the US Contractor / Supplier's "Exporter's Certificate"
      - Local Cost Financing – up to 30% of total US Contract Price (inclusive of Eligible Foreign Content)

## US Content

- Services Performed in US
- US Expatriate Services performed outside of US
- Goods manufactured in US
- Equipment owned by US Contractor and used in the performance Service Contract
- Licenses & Technology owned by US Company for more than 1 year



## Foreign Eligible Content

- Services performed in support of a US contract
- Actual cost of imported materials to the US (excluding raw materials)

- Evidenced by invoice containing US address
- Goods must be exported from the US to Project country



## LOCAL CONTENT

- Goods or materials manufactured, sourced and originated in host country
- Services contracted through a host country entity (In-Country Contractor) and performed in host country, regardless of nationality of personnel performing the services (except US Expats)
- Evidenced by invoice containing Local address



# KEY DOCUMENTS

- Acquisition List
- Exporter's Certificate
- Anti-Lobbying Certificate
- Invoices
- Proof of Payment
- Proof of Export

## ACQUISITION LIST

- Exclusive basis for establishing the amount of financing approved by the EXIM Bank Board
- Itemizes all eligible content for financing
  - Description and value of goods/services
  - Exporter name, address, and estimated dates
- Approved by EXIM Bank's Engineer
- Borrower is responsible for maintaining and submitting the Acquisition List to EXIM
- After going operative – EXIM Bank permits the Acquisition List to be updated once per month, if necessary
- Adding a “Contingency” line item (10-12%) is permissible





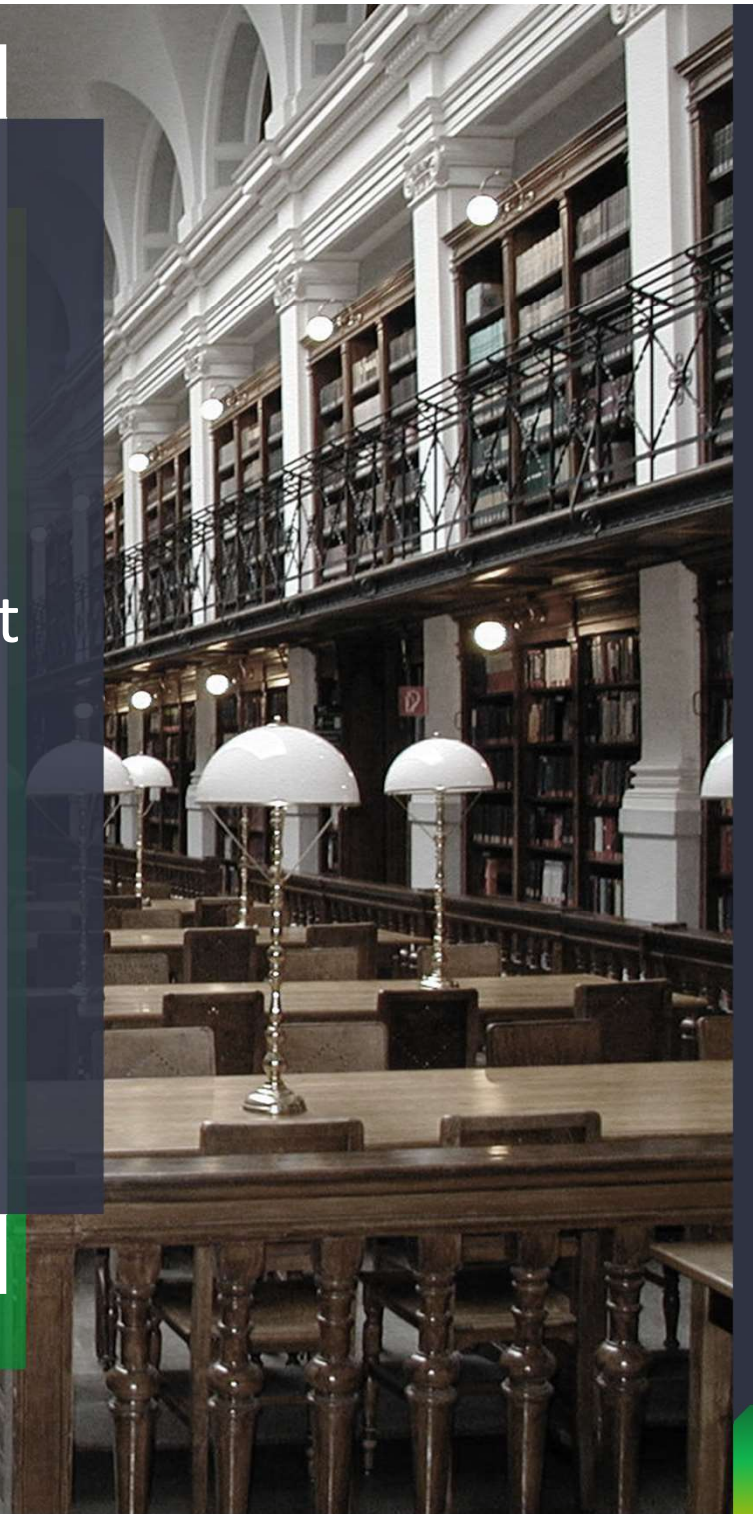


## EXPORTER'S CERTIFICATE

- No Exporter's Certificate = No Financing
- Specifies percentage of US content in Exporter's scope of work, in addition to other certifications
- Issued by U.S. company with a U.S. street address
- Completely filled out as-is; no changes allowed to wording
- Signed by an authorized officer or employee of the U.S. company
- Amended if "material change"
- Consolidation approach to (i) reduce administrative burden and (ii) increase eligibility for financing

## ANTI-LOBBYING CERTIFICATE

- Required from U.S. exporters, local cost providers and ancillary service providers
- Only applicable for direct loans where contract with entity is \$100,000 or greater
- No changes to language permitted
- Signed by authorized officer or employee





## INVOICES

- Issued by US Exporter, Local Cost or Ancillary Services Provider, approved by US EXIM
- US Exporter (or local) address
- Addressed to a foreign buyer
- Legible copies acceptable
- Progress payments prior to export acceptable, subject to limit



## PROOF OF PAYMENT

### Options

- Copy of commercial bank's advice of payment to U.S. exporter
- Copy of both sides of a canceled check
- Signed letter from US Exporter confirming payment
- Invoice stamped "paid", signed by exporter

# PROOF OF EXPORT

- Copy of signed, dated, clean onboard ocean bill of lading
- Copy of signed, dated air waybill
- Show shipment from US to Project country; transshipments acceptable
- Electronic signatures acceptable
- Compliance with Public Resolution 17 (PR-17) – US flag requirement or MARAD determination





## IT&T – US EXIM COLLABORATION

- IT&T liaises directly with US EXIM Engineering and Credit Administration teams to streamline documentation
  - Invoice Continuation Sheet
    - Attachment to Contractor's progress payment invoice
    - Itemizes eligible content in a logical manner for drawdown
  - Structuring the Acquisition List
    - Summary invoices and electronic confirmations of payment
- Provide advice to US EXIM Policy makers and Board members
- Acts in capacity of relationship manager with key US EXIM staff assigned to the transaction

# MARAD AND PR-17

- All shipments from the US that are financed with EXIM Bank must be shipped on US-flag vessels unless Determination(s) are obtained from the US Maritime Administration (MARAD)
- MARAD Determinations: General arrangement, Compensatory commitment, Vessel non-availability, reachback
- Comprehensive Project Shipping Plan recommended to minimize shipping costs and better comply with PR-17
- Form F reporting



## PORTAL

- EXIM Bank is utilizing a new online portal for future transactions
- Applicable to direct loans and long term guarantees
- All disbursement requests and accompanying documentation will be uploaded to the portal and routed to EXIM Bank for approval
- IT&T participated in beta-test and accommodations were made to simplify disbursements for large capital projects

# QUESTIONS?

Please do not hesitate to contact  
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