



OPIC Highlights

OPIC Supports U.S. Investment and Development Needs in Africa

Historically, OPIC has provided more than \$4 billion in finance and insurance to support over 300 projects in sub-Saharan Africa. OPIC's current investments portfolio provides more than \$1.2 billion to projects ranging from housing and construction to tourism and financial services.

U.S. Small Business Modernizes Cashew Industry in Guinea-Bissau

A boost to the cashew industry in Guinea-Bissau will come from a \$1.7 million OPIC loan to ROTA International, a Virginia-based business. OPIC's support will be used to develop organic production and processing of cashews, an industry which at large accounts for over 90 percent of the country's annual export earnings.

Guinea-Bissau is the fifth-largest exporter of cashews in the world, but receives little value-added return on this unprocessed commodity for which it remains solely dependent upon one group of buyers.

By modernizing the industry, this project will create a significant number of local jobs and will produce an organic product with a strong market in the United States. ROTA works with the Organic Crop Improvement Association International, Inc. in order to guarantee that every step of the project is certified 100 percent organic.



A Virginia small business is using an OPIC loan to update Guinea-Bissau's cashew industry for sales to U.S. markets.



OPIC Financing Helps Answer Botswana's Growing Demand for Electricity

A U.S. small business will use financing from OPIC to help Botswana take advantage of its natural gas reserves, answering a growing demand for electricity.

OPIC will provide an \$8.5 million investment guaranty to Kalahari Gas Corporation, owned in part by Covalent Energy Corporation of Arlington, VA, to finance equipment purchase and drilling of coal bed methane (CBM) wells located approximately 500 meters underground in eastern Botswana.

Unlike coal, CBM does not contain particulate pollutants, and its production by-product, water, can be used for irrigation or industrial process water, thereby replacing scarce potable water that is currently being used for that purpose. Botswana currently has no infrastructure in place for developing CBM, either for extraction or end-use.

Only 22 percent of Botswana's population has access to electricity. This project will provide a vital step toward the country's economic development by accelerating power generation in a way that is both environmentally friendly and efficient.

U.S. Business to Increase Poultry Production in Ghana

OPIC is providing \$16.9 million in political risk insurance support to George K. Amoah & Chicken George Farms for the renovation and expansion of a commercial poultry farm outside of Accra, Ghana. The poultry farm will incorporate ten poultry breeder houses, ancillary facilities for egg production, a feed mill for the processing of feed corn and a facility to process and package poultry meat products.

The poultry farm is expected to generate employment while also helping to improve the amount and quality of protein available in local diets. Additionally, the Ghanaian poultry industry is expected to benefit from planned new product development, distribution systems and educational programs.

OPIC Pledges Support For Regional Transportation Network in Malawi, Mozambique and Zambia

On June 27, 2003, U.S. Secretary of State Colin L. Powell witnessed the signing of a statement of common objectives between OPIC and a consortium working to rehabilitate an existing rail and port system that would enable Malawi, Mozambique and Zambia to reduce the cost of transporting petroleum and much-needed food, as well as exports. OPIC President and CEO Dr. Peter Watson, Chairman Robert Pietrandrea of the Central East Africa Railways Company, and Chairman Alberto Joaquin Chipande of the Corredor de Desenvolvimento Do Norte signed the agreement at the Corporate Council on Africa's fourth U.S.-Africa Business Summit. President

Joaquim Chissano of Mozambique, President Levy Mwanawasa of Zambia, and Vice President Justin Malewezi of Malawi joined Secretary Powell in witnessing the signing.



The project, called the Nacala Port and Railway Initiative, is intended to rehabilitate the Nacala railway corridor between Mozambique and Malawi, and refurbish the deep-water port of Nacala in Mozambique. Dr. Watson first announced that OPIC would support the project at the World Summit on Sustainable Development in Johannesburg in August 2002. OPIC will provide \$29.6 million in financing to the project.

Successful completion of the project would help the signatories' efforts to "significantly enhance their agricultural productivity and exports through increased access to expanded rail and port facilities, and provide a more direct, and less costly, means of transporting essential food aid to famine-stricken countries," according to the joint statement. The project would also serve as "tangible and long-term demonstration of US - Africa economic growth in the region," and would "contribute humanitarian cooperation in times of need," the agreement states.

"The Overseas Private Investment Corporation — OPIC — has done a wonderful job with programs to meet Africa's hunger for productive investment. Since October 2001 alone, OPIC has approved over three-quarters of a billion dollars for projects in sub-Saharan Africa to combat the scourge of HIV/AIDS, to provide decent housing for low-income Africans, to give African children access to clean, life-giving water, and to help farmers grow and market their crops."

.....Colin L. Powell, U.S. Secretary of State

Bringing Potable Water to Communities

Living Water International (LWI), a U.S. nonprofit corporation, will use a \$100,000 OPIC loan to improve the quality of drinking water in Ghana. The funds will be used to purchase a new drilling machine and air compressor, and other necessary equipment and materials to develop water wells in the area. The funds from this investment will also enable LWI to significantly increase its production capacity.

According to LWI, childhood illnesses caused by waterborne diseases have been reduced from 95 percent to less than 5 percent in communities where pure drinking water has been provided. All wells will be tested for contamination before commencing water supplies in order to protect public health. Water boards comprised of local citizens are established at each well site. These water boards are encouraged to sell the water for a penny a bucket to finance the maintenance and to give the communities a sense of well ownership. Additionally, local citizens are trained to drill and maintain the wells, pumps and storage tanks, keeping them free from contamination.



OPIC Increases Housing in South Africa

OPIC is helping South Africa address its 2.2 million-unit shortage of low-income housing by providing a \$15 million loan guaranty that will result in the construction of 90,000 homes. The homes will provide shelter for up to half a million people. The project will also stimulate the local construction sector through expanded job opportunities and serve as an example for local commercial lenders for future support of low-income housing.

The project involves an expansion of South Africa's National Urban Reconstruction and Housing Agency's (NURCHA) bridge-financing program. The program provides loan guarantees that enable commercial banks to advance funds to developers for the construction of low-income housing and certain community facilities and associated infrastructure that are oriented to low-income families.



Providing ongoing training for workers and experience for many small local developers will be important components of this project.

Planning, budgeting, and management training are particularly important to NURCHA. It has accounted for nearly every successful woman contractor and developer currently working in South Africa.

The project will also increase employment in other areas of the economy and stimulate small businesses. Local suppliers will benefit from the use of local raw materials. By providing credit to small businesses the project will also mobilize local capital.

Expanding Investment in Africa

OPIC and Citibank are working together to increase investments and stimulate economic growth in sub-Saharan Africa. OPIC has established a \$125 million guaranty facility that will support Citibank's lending efforts throughout the region.

The facility will enable Citibank to provide additional U.S. dollar and local currency project and corporate loans in sub-Saharan Africa, with an initial focus on Angola, Botswana, Cameroon, Ethiopia, Kenya, Mali, Mozambique, Nigeria, Senegal, Tanzania and Uganda. Citibank will originate and structure all individual loans, but each loan made will be cleared by OPIC for its effect on the U.S. economy, environmental impacts, and human and workers' rights. A portion of the facility will be reserved for small- and medium-sized enterprises.

Helping HIV-positive Homeowners

HIV-positive homeowners in South Africa will be able to keep their homes thanks to a \$250 million OPIC loan that will guaranty banks against the risk of defaulted mortgage payments. The project stands to help at least 350,000 South Africans obtain new mortgages and keep their homes.

The loan is being provided to Housing for HIV Inc., a newly formed organization set up as a joint venture between New York-based Shared Interest, Inc. and South African-based Home Loan Guaranty Company (HLGC). Housing for HIV Inc. will raise an additional \$50 million from U.S. foundations and others to form a \$300 million pool of funds. Net proceeds from the investment pool will be used to purchase medication for HIV-positive homeowners in South Africa who hold mortgages from banks that are guaranteed by HLGC. Treatment and education for affected homeowners will be provided through additional agreements with South African clinics.

Because banks are reluctant to make new housing loans to low-income borrowers with HIV/AIDS, by providing HIV treatment and a guaranty to keep homes in homeowners' hands, this innovative project not only supports the banks, but conveys respect for the dignity of HIV positive homeowners and values them as productive members of society.

The project addresses several objectives of the Bush Administration's Emergency Plan for AIDS Relief, which aims to prevent seven million new AIDS infections, treat at least two million people with life-extending drugs, and provide humane care for millions of people suffering from AIDS in Africa.

OPIC Helps Boost Economic Development in Sierra Leone

OPIC is providing a \$25 million investment guaranty to Sierra Rutile Limited (SRL) for the restart and expansion of its mineral sands mine in southwestern Sierra Leone. The mine is the world's largest deposit of rutile, capable of generating 25 percent of the world's natural rutile supply. Rutile and ilmenite are both feedstocks for producing titanium dioxide pigments, which are utilized primarily in paint, paper and plastics.

Prior to civil conflict interrupting its operations in the mid-1990s, the SRL mine was the primary export earner for the country. Restoring basic industries, such as rutile mining, will be critical to Sierra Leone's economic development.

The project is expected to employ more than 900 Sierra Leoneans and will generate significant revenues for the government through taxes, royalties, rent and interest.

U.S. Business Expands Tea Plantation in Rwanda

OPIC will provide a \$1.5 million loan to SORWATHE, the largest and only privately controlled producer of tea in Rwanda. Tea Importers, Inc., of Westport, Connecticut is founder and largest shareholder of SORWATHE. Tea is Rwanda's second most important export product after coffee, representing 36 percent of foreign exchange earnings.

Proceeds from the loan will be used to develop a eucalyptus plantation to provide a reliable source of fuel for tea drying operations, thus reducing dependency on local sources of firewood; and to expand an existing upland tea plantation.



Workers and fields at the SORWATHE tea plantation in Rwanda.

Tea Importers, Inc., has also been receiving insurance coverage from OPIC since 1976, and currently has over \$1 million in political risk insurance for the SORWATHE project.



In 1978, OPIC provided its first loan to SORWATHE to help finance the completion of the original tea processing plant. SORWATHE is currently the largest employer in Rwanda, employing over 2,500 Rwandans.

OPIC Insurance Enables Angolan Flour Mill To Restart

OPIC's political risk insurance has enabled a U.S. business to rehabilitate a flour mill in Angola, more than tripling its production capacity and thereby helping that country address a scarcity of domestically produced food.

OPIC is providing \$6 million in insurance to Seaboard Overseas Ltd., a subsidiary of Seaboard Corporation of Shawnee Mission, Kansas, for the rehabilitation and operation of a flour mill formerly known as Moagem Herois De Kangamba, located in Viana, nine miles east of the capital of Luanda. The mill produces and markets wheat flour and wheat bran for animal feed at a rate of 200 metric tons per day (MTD), compared to its 1999 capacity of 65 MTD.

The project has helped to alleviate scarcity in the Angolan domestic wheat flour market, making bread in particular more affordable to Angolans.



OPIC is a U.S. government agency that helps U.S. businesses invest overseas, fosters economic development in new and emerging markets, complements the private sector in managing risks associated with foreign direct investment, and supports U.S. foreign policy.

Because OPIC charges market-based fees for its products, it operates on a self-sustaining basis at no net cost to taxpayers. Since 1971, OPIC has supported over \$150 billion worth of investments that have generated more than \$66 billion in U.S. exports and supported over 257,000 American jobs.

For general information, contact OPIC's InfoLine at (202) 336-8799. For information via the Internet please go to www.opic.gov.