

# OPIC Highlights

## OPIC partners with U.S. companies to support economic growth throughout Africa



Acting OPIC President Dr. Lawrence Spinelli is flanked by Corporate Council on Africa (CCA) President Stephen Hayes, left, and CCA Chairman Dr. Jeffrey Sturchio after presenting CCA with the first OPIC Partnership Award.

### *OPIC presents first Partnership Award to Corporate Council on Africa*

OPIC Acting President Dr. Lawrence Spinelli in March presented the Corporate Council on Africa (CCA) with the inaugural OPIC Partnership Award for its longstanding effort to facilitate U.S. private sector investment in Africa. The award recognizes organizations for cooperating with OPIC to encourage American investment in emerging markets, by disseminating information about OPIC products and services to their constituencies.

“OPIC is pleased to make the Corporate Council on Africa the inaugural recipient of its Partnership Award,” Dr. Spinelli said. “What is most pleasing about bestowing this award upon CCA is that it is not the culmination of a relationship, but a reinforcement of it. OPIC looks forward with great anticipation to continuing its partnership to help increase U.S. private sector investment in Africa for many years to come.”

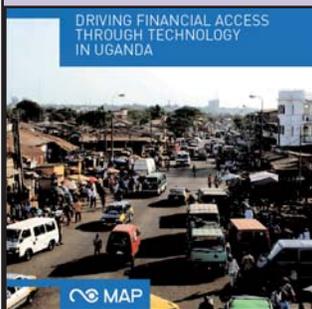
CCA President Stephen Hayes said, “CCA is honored to receive the first OPIC Partnership Award. Business linkages generated by the partnership between CCA and OPIC have resulted in a significant number of investment opportunities for CCA members, which in turn have created economic growth throughout Africa.”

The Corporate Council on Africa was established in 1993 to strengthen the commercial relationship between the United States and the African continent. CCA works closely with governments, multilateral groups and business to improve the African continent's trade and investment climate, and to raise the profile of Africa in the US business community.

### **OPIC loan brings mobile banking services to underserved in Uganda**

An OPIC loan will enable the deployment of transformational financial infrastructure in Uganda that will provide Ugandan citizens, currently left out of the formal economy, with access to an array of financial services, including banking services.

OPIC has begun disbursement of its direct loan to MAPSwitch Uganda, a subsidiary of MAP International, a U.S. small business that utilizes integrated electronic identification and



mobile financial technology in order to transform financial services infrastructure in developing countries. With its biometric data and the use of mobile devices, MAP can provide access to financial services to the unbanked citizens in rural, remote or under developed areas, bringing these citizens into the formal economy.

The OPIC financing will enable MAP to fully deploy its technology in Uganda, where, in partnership with the government of Uganda, it will tackle the challenge of reaching up to two million citizens where today only five percent of the population has bank accounts.

### **U.S. small business uses OPIC loan to support equipment rental operation in Nigeria**

A U.S. small business is using an OPIC loan to expand its construction equipment leasing operation in Nigeria, helping the nation meet a growing demand for equipment as it accelerates its infrastructure development.

The proceeds of a \$750,000 OPIC loan will be used to acquire construction equipment to augment an existing rental fleet of graders, bulldozers and excavation equipment currently in use in Nigeria. The U.S. sponsor is Pacific Tri-Star, an Ogden, Utah-based heavy equipment rental business that has been operating in Nigeria for three years. The project is also supported by Interlink Capital Strategies, a consulting firm which serves as a loan originator for the Enterprise Development Network, a strategic alliance among OPIC and public and private sector organizations designed to support small business projects in emerging markets.

Robert Gibb, founder of Pacific Tri-Star, said, “OPIC’s involvement in this project will be crit-

ical for capitalizing on the huge growth opportunities currently available in Nigeria.”

Pacific Tri-Star began business in 1991 with the goal of buying, selling, trading, and renting construction, agricultural and mining equipment in the United States. Recently, Pacific Tri-Star began selling used equipment in West Africa and researched the feasibility of expanding its operations in the region. With Interlink Capital Strategies and a local partner, Pacific Tri-Star launched its rental business in Nigeria in 2005, and has since substantially built up its inventory in Nigeria. The OPIC loan is expected to help the company expand its operation beyond Lagos.



## *OPIC: a record of achievement in sub-Saharan Africa*

Over its 38-year history, OPIC has provided nearly \$5.6 billion in financing and political risk insurance to support 387 projects in sub-Saharan Africa. OPIC's current investment portfolio in the region comprises more than \$2.5 billion in support for projects in sectors ranging from manufacturing and construction to tourism and financial services.

### OPIC supports historic electricity project in Togo

ContourGlobal, a New York-based company which develops, acquires and operates electric power and district heating businesses around the globe, announced in December 2008 that a subsidiary, ContourGlobal Togo, had signed a \$146 million financing agreement with OPIC for the construction of a 100 megawatt power plant in Lomé, Togo. OPIC is also providing \$49.5 million in political risk insurance for the project.

The project will be the first substantial foreign investment in Togo in over a decade and will be one of the most significant investments in the West African power sector in over twenty years. The project involves the design, construction, and operation of a new 100 MW thermal power plant, which will produce approximately 780 gigawatt hours of electricity annually and will help the West African nation overcome an electricity shortage that has resulted in rolling blackouts and inhibited its economic growth. The project is located within a region that is desperately seeking less expensive and more reliable sources of power. The plant will add a substantial source of clean, reliable, and low-priced electricity and provide diversity to the region's sources of power generation.



The project began construction in January 2009 and is expected to be operational in December 2009. It will be powered by six engines (16.6 MW each), which have trifuel burning capability and can operate on natural gas, heavy fuel oil, and distillate diesel oil. The project will operate on heavy fuel oil until natural gas becomes available via the West African Gas Pipeline. ContourGlobal Togo has entered into a 25-year concession and power purchase agreement under which it will sell electricity generated by the power plant to the Togolese electric distribution company, Compagnie Energie Electrique du Togo.

Joseph Brandt, President and Chief Executive Officer of ContourGlobal, stated, "Entering into this loan agreement with OPIC amidst the unprecedented turmoil in the global credit markets shows that financing is available for well structured projects in developing countries. We value our relationship with OPIC and are grateful to them for the leadership they have shown with their support of this pathbreaking project. We look forward to working with them on additional projects in the coming year."

### OPIC board approves \$250 million to develop diamond cutting & polishing in Botswana

OPIC's Board of Directors in October 2008 approved a \$250 million guaranty facility to help Botswana develop its newly-established diamond cutting and polishing industry. OPIC will provide the guaranty to a company sponsored by Lazare Kaplan International Inc., a U.S.-based publicly traded company, which in turn will pass on the guaranty to participating banks.

Specifically, the facility will enable diamond manufacturing companies in Botswana to access long-term capital to finance the purchase of rough diamonds for processing, and facilitate the development of a financial sector to support development of a cutting and polishing sector in Botswana. The facility is projected to leverage the country's diamond resources by increasing employment by more than 3,000 new skilled jobs.

The development of the diamond cutting and polishing sector is a priority for the Botswana government. Botswana is the world's leading producer of gem-quality diamonds, and diamond production generates approximately 80 percent of the country's foreign exchange. Historically, however, manufacturing of Botswana's rough diamond output has been processed through London and Antwerp.

### **OPIC provides \$250 million for small business lending in South Africa**

OPIC will provide up to \$250 million in financing to help banks and other financial institutions in South Africa expand their lending to small businesses. Through the project, OPIC's support will help South African financial institutions increase not only the provision of short-term working capital for small businesses, but also long-term financing to help facilitate investment in plants and equipment they need to sustain growth and create jobs.

OPIC's support is expected to generate at least \$500 million in total investment in South African small businesses, new loans to at least 10,000 small businesses, and a minimum of 50,000 new jobs.

One of the first financial institutions OPIC is supporting under the initiative, with \$70 million, is Blue Financial Services, a South African financial institution. Blue Financial has already established a strong track record in providing microfinance in South Africa and other African countries, and it has recently introduced a small business lending program that it intends to expand rapidly. OPIC financing will enable Blue Financial to meet the near-term financing needs of many more small businesses than would have otherwise been possible.



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. Over the agency's 38-year history, OPIC has supported \$188 billion worth of investments that have helped developing countries to generate over 830,000 host-country jobs. OPIC projects have also generated \$72 billion in U.S. exports and supported more than 273,000 American jobs.