

# OPIC News

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## OPIC announces \$120 million in new support for three CAFTA countries

OPIC President and CEO Robert Mosbacher, Jr. announced OPIC finance and political risk insurance in support of a minimum of \$120 million in new investment for El Salvador, Honduras and

financing and political risk insurance. The OPIC insurance projects announced on the trip include an offshore oil and gas exploration project in Nicaragua, and U.S. small business projects in Honduras and Nicaragua.

### OPIC impulsa proyecto habitacional en Zambrano



### OPIC respalda inversiones de EEUU por \$180 millones



**OPIC in the news:** the May 16-19 trip to El Salvador, Nicaragua and Honduras by OPIC President and CEO Robert Mosbacher, Jr. received ample coverage in regional media.

### Dan préstamo para casas gracias al TLC con



### EE.UU. destina fondo a microfinancieras



Nicaragua during a May 16-19 trip to signatory countries of the free trade agreement with Central America and the Dominican Republic (CAFTA-DR).

The new financing comprises OPIC support for a new private equity investment fund for Central America, Mexico and Colombia; an OPIC loan to fund microfinance institutions in the region; OPIC loans for a series of housing construction and mortgage financing projects that will help relieve the region's housing need; and an agricultural project in Nicaragua that features both OPIC

During the trip, Mosbacher also signed agreements between OPIC and the national investment promotion agencies of El Salvador and Honduras, designed to facilitate OPIC support for U.S. investment in those countries. OPIC concluded a similar agreement with Nicaragua in January.

"The fact that, in the space of eight months since CAFTA-DR was enacted, OPIC has marshaled \$120 million to support investment in the region, demonstrates both OPIC's commitment to CAFTA-DR and a growing realization that Central America is a profitable destination for U.S. investment dollars," Mosbacher said.

## MESSAGE FROM THE PRESIDENT

Last August, President Bush said, 'Two decades ago, many of the CAFTA-DR nations struggled with poverty and dictatorship and civil strife. Today, they're working democracies, and we must not take these gains for granted.'

OPIC has not, because we understood that implicit in the president's remark was an awareness of the sacrifice made by Central America in its embrace of democracy, and a challenge to the region's neighbors to help CAFTA-DR countries make good on the promise of free market economies.

During a trip to the region last month, I announced that OPIC financing and insurance would support at least \$120 million in new investment for El Salvador, Honduras and Nicaragua. In assembling its support, OPIC selected projects that addressed the most pressing needs in the region - provision of housing and housing finance, and enabling small businesses to grow among them - so that benefits of CAFTA-DR would extend to as many people as possible.

The challenge - and the opportunity - is to involve increasing numbers of Central Americans in the development of their nascent economies, first and foremost so that they can improve their standards of living. From that foundation, other benefits will follow: greater security and stability, improved quality of human capital, and, ultimately, the development of better institutions, infrastructure and communities.

OPIC's commitment to CAFTA-DR is not unique: the May trip was my second to the region, following an October mission with U.S. Secretary of Commerce Carlos Gutierrez, and I was joined this time by officials from the U.S. Trade Representative's office and the Millennium Challenge Corporation. Forthcoming trips by other U.S. agencies will ensure a level of inter-agency coordination reflective of the importance accorded the region.

*The Economist* is confident that CAFTA-DR will benefit the region: in El Salvador, it reported, "economic prospects are improv-

ing, driven by higher consumption and investment, and by exports on the back of the implementation of CAFTA-DR,"; and in Honduras, "when CAFTA-DR comes into effect it will attract increased investment inflows and opportunities for export-oriented business."

Such optimism will not be borne out by complacency. CAFTA-DR countries are small and still overwhelmingly poor; the road ahead will not be easy. But the promise is real. The fact that, in the space of eight months since CAFTA-DR was enacted, OPIC marshaled \$120 million to support investment in the region demonstrates a growing realization that Central America is a profitable destination for U.S. investment dollars.

Robert Mosbacher, Jr.  
President & CEO  
Overseas Private Investment Corporation

## OPIC-supported housing project in Zambia underway

OPIC President and CEO Robert Mosbacher, Jr., Zambian Vice President Lupando Mwape, and U.S. Ambassador to Zambia Carmen Martinez took part in a May 8 ceremony to launch the Lilayi housing project in Zambia, a private

sector initiative that will leverage over \$100 million of new housing construction, generate 5,000 new homes, and serve as a model for future housing projects in sub-Saharan Africa.

OPIC is providing a \$46.3 million loan to Houses for Africa (HFA) Zambia Limited, to facilitate mortgage financing for the homes to be built in Lusaka. The Lilayi estate will provide electricity, water and sewage, street lighting, trash removal and parking amenities, as well as stations for bus and taxi services. The target buyers of the houses will be salaried workers and self-employed persons.

The U.S. Agency for International Development will provide technical assistance in the enhancement of Zambia's title deeds registry system.



Robin Miller, managing director of City Investments Ltd, a project sponsor of the Lilayi housing project in Zambia. Above right, Zambian Vice President Lupando Mwape.



### FOR MORE INFORMATION:

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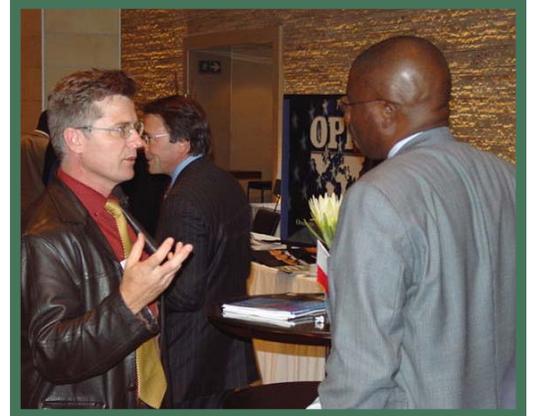
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# Housing Africa in focus:

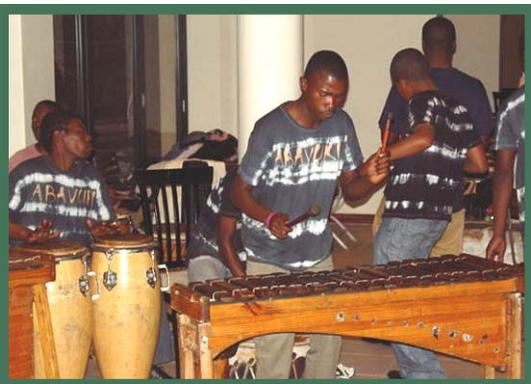
Investment opportunities draw 270 participants to OPIC conference in Cape Town



**Housing Africa**, an OPIC investment conference held in Cape Town, South Africa, May 2-4, provided U.S. and African companies a rare opportunity to forge partnerships in new housing-related projects across the continent. As a result, from an opening reception at Groote Schuur estate, above left and center, to remarks by OPIC President and CEO Robert Mosbacher, Jr., the conference buzzed with the energy of a capacity turnout. Below center, Mosbacher meets with South African Deputy President Phumzile Mlambo-Ngcuka.



African Development Bank Vice President Mandla Gantsho, below right, delivered the keynote address. Members of a mortgage financing panel, below center; below left, entertainment at Kirstenbosch Gardens. Ghanaian Housing Minister Hackman Owusu-Agyemang said at the conclusion: "You have given us A to Z of houses, everything that has got to do with the opportunities that are out there for all of us. I believe that we all would leave this place committed in our vision to ensure that we do better for our people."



# OPIC project building homes in Mexico

An OPIC-supported housing project in Monterrey, Mexico, first announced in 2004, has resulted in the construction of 2500 homes to date - an early success that has enabled the U.S. sponsor to leverage its manufacturing capacity to work with other U.S. and Mexican partners.



Alan Beard of Interlink Capital Strategies, Randall Byrd of PyMM, and Richard Corrigan of OPIC, left to right, attended a launch of a housing development in Monterrey supported by an OPIC loan.

A \$10 million OPIC loan is enabling Prefabricados y Modular de Monterrey (PyMM) to expand production of pre-made concrete homes from its facility in Monterrey, Mexico. PyMM, a subsidiary of Texas-based Modular Prefab-USA, LLC, has sold more than 700 of the homes during its first four years of production. The project is expected to produce more than 25,000 homes over the next several years at an average price of approximately \$17,000.

The project is the first to be processed using a new fast-track approach created under a framework agreement between OPIC and Interlink Capital Strategies, a Washington, D.C.-based financial consultant.



## UPCOMING EVENTS

**June 24-25, 2006, Miami, Florida**  
**Haiti Tourism & Economic Development Summit**  
 Suzanne Etcheverry, Senior Insurance Officer  
[www.ToHaiti.com](http://www.ToHaiti.com)

**July 23-28, 2006, Almaty, Kazakhstan**  
**US-Kazakhstan Trade & Investment Mission**  
 Michele Smith, Investment Services Manager

**October 18-20, 2006, Nashville, Tennessee**  
**2006 Professional Design-Build Conference**  
 Dr. Lawrence Spinelli, Public Affairs Director  
[www.designbuildexpo.com](http://www.designbuildexpo.com)

**October 30-November 1, 2006, New Orleans, Louisiana**  
**National District Export Council Conference**  
[www.deconference.com](http://www.deconference.com)

