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OPIC board approves \$300 million for projects in Egypt and Russian Federation

OPIC's board of directors in July approved \$300 million in financing and political risk insurance for projects that will support Egypt's energy infrastructure and the growth of small businesses in the Russian Federation.

The board approved \$100 million in OPIC financing to support the leasing of equipment and vehicles to small and medium-sized enterprises (SMEs) in the Russian Federation, accelerating the growth of the region's financial sector by providing SMEs access to new sources of capital.

The project will particularly benefit underdeveloped areas: Europlan currently serves 60 of 89 regions in the Russian Federation, and conducts more than 50 percent of its business outside of Moscow.

Furthermore, as a consequence of OPIC's involvement, Europlan intends to approach the international capital markets for its first

borrowing without the credit enhancement of an international development institution.

The board also approved \$200 million in OPIC insurance for a project that will further develop 18 oil



Europlan, formerly DeltaLeasing, has already used OPIC financing to lease label printers, below left, glass polishing machines, center, and computerized wood lathes, right, in the Russian Federation.



OPIC will provide the financing to ZAO Europlan, the leading lessor of equipment and vehicles to SMEs throughout the Russian Federation, to support \$450 million in planned Europlan leasing throughout the Federation in 2007 and 2008. Europlan is owned by two leading private equity firms, Delaware-partnership Capital International Private Equity Fund IV and Baring Vostok Capital Partners.

and gas concessions in Egypt over the next five years. Houston-based Apache Corporation will use the OPIC insurance to support \$1.8 billion of new investment, specifically for the development of concessions in Egypt's Western Desert region.

The project will also support the construction of 200 schools for rural Egyptian girls by an Apache-sponsored nonprofit organization.

MESSAGE FROM THE PRESIDENT

In pursuing its development mission, OPIC looks at projects that have both a direct and indirect impact on the host country economy. In selecting project to support, those that improve a developing country's infrastructure, be it physical or financial, are well placed to stimulate the local economy, and more efficiently develop the structures that will lead to sustained economic growth.

OPIC's Board of Directors this month approved \$100 million in OPIC financing for a project that will contribute significantly to the financial infrastructure of the Russian Federation, particularly its ability to assist small and medium-sized enterprises (SMEs). Europlan, the leading lessor of equipment and vehicles to small businesses in Russia, will use the OPIC financing to support nearly half a billion dollars in expanded leasing activities in 2007 and 2008.

The benefits of the project are significant. As Europlan conducts more than 50 percent of its business outside of Moscow, the developmental impact of the project will reach less-developed areas in the Russian Federation. More importantly, leasing companies such as Europlan support private sector investment in developing countries, where companies typically lack credit histories or access to capital. Compared with bank lending, leasing provides capital more efficiently and typically with longer tenors of financing.

By helping the Russian Federation to develop its leasing capacity, the project will strengthen the region's financial resources, and augment, in a meaningful and enduring way, sound infrastructure.



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

U.S. small business uses OPIC loan for organic fruit processing in Brazil

A U.S. small business will use an OPIC loan to establish an environmentally-sustainable organic açai fruit processing facility in Brazil's Amazon rainforest, helping the country to develop an industry with significant export potential.

OPIC will provide a \$3.7 million loan to Açai do Amapá Agroindustrial Ltd., a sub-

siary of Sambazon Inc. of San Clemente, CA, for the construction of an açai berry processing facility in the city of Santana in Brazil's Amapá state, and to fund operations to supply açai products to export and local markets. Its products will bear USDA organic and fair trade certifications.

Açai berries, which grow in palm trees, contain more anti-oxidants than blueberries - specifically anthocyanins, the phytochemicals found in red wine, and which have potentially therapeutic disease-prevention effects.

Sambazon products are now carried by many juice bars and grocery chains across the United States, including Whole Foods Market, Wild Oats, HEB and Von's. To date, Sambazon's main suppliers of Açai fruit have been four forest cooperatives employing more than 1500 low-income farmers.



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A subsidiary of Sambazon Inc. of San Clemente, CA, is using an OPIC loan to construct an açai berry processing facility in Santana, Brazil.

OPIC project profile

Two years on, insurance project has enabled U.S. small business to transfer vital **irrigation technology** to Pakistan



Most lay people know that farming, particularly in dry areas, depends on irrigation. Fewer might know that successful irrigation in turn depends on keeping down levels of dissolved substances - collectively known

as salts - in irrigated water so that they don't restrict plant roots' ability to withdraw water from surrounding soil.

Sweetwater International, a U.S. small business based in Salt Lake City, Utah, retooled an old technology - sulfur burning - to combat high bicarbonate salt levels in irrigated water. Sweetwater's Sulfurous Acid Generator (SAG) produces SO₂ gas, which, when drawn through an irrigation stream, changes the water's pH level and neutralizes harmful bicarbonate deposits in the water and soil. Thus plants are better able to draw water into their root systems.

Eight years ago, Sweetwater settled on the Indus River basin bordering Pakistan and India as a market for its Sweetwater technology. The main supplier of potable water in Pakistan and its agricultural breadbasket, Punjab Province, the river basin had for millennia relied on freshwater runoff from the Himalayas as its

source. Generations of heavy farming had placed too many demands on that supply, however, forcing farmers to turn to underground water - high in bicarbonates - as a new source.

Its market niche established, Sweetwater Pakistan grew successfully in the country, undaunted by a market many others perceived to be risky. Indeed, Sweetwater President and CEO Edward Jackson welcomed the challenge.

"We've had a great experience in Pakistan," Jackson said. "They've been a great ally for the United States. And I believe the best way to stop terrorism is by feeding people and employing people. That's what we're trying to do in Pakistan."

Meeting OPIC Chief of Staff Joe Flynn at the Partnering for Clean Water in Asia Conference in Bangkok in July 2002 made Sweetwater Pakistan's experience even better. Through Flynn, Jackson was put in touch with OPIC Senior Insurance Officer Suzanne Etcheverry; in short order, Sweetwater Pakistan obtained a \$3 million OPIC loan and \$1.1 million in OPIC political risk insurance.

OPIC's support made an immediate difference. The loan was used to purchase new farm equipment, build a storage barn and develop a cattle-feeding facility, hire staff, and make improvements to the SAG fabrication shop.



Edward Jackson, president and CEO of Sweetwater International, shares Sweetwater's Sulfurous Acid Generator (above left) technology with Pakistani farmers.

As a result, Sweetwater Pakistan has established 20 model farms around Pakistan, from the Arabian Sea to Islamabad, which serve as training centers to spread the company's technology. Jackson figures that "well over" 1000 Pakistani farmers have been trained in Sweetwater's SAG technology.

Of his experience with OPIC, Jackson said, "We were first-time novices, so we had nothing to compare it to. But in my opinion, it was wonderful."

"From Sweetwater's perspective, we have nothing but praise for OPIC," he said. "Simply put, they took a U.S. company and helped it expand overseas. Whereas we had one employee in Pakistan 18 months ago, now we have 32 in the country and 15 in the United States. OPIC's loan enabled that expansion, in a year-and-a-half. We had a great experience."



Sweetwater has established 20 model farms across Pakistan, at which more than 1000 farmers have been trained in the company's technology, which enables crops to more efficiently draw water from surrounding soil by neutralizing harmful salts.



Updated OPIC website eases access to program information

OPIC unveiled an updated website in July, providing site visitors with new features, streamlined content and improved search functions, and prospective clients with enhanced tutorials about OPIC programs and services. The update was the first since the late 1990s.

Reflecting renewed agency emphasis on U.S. small businesses, the site makes more easily accessible explanations of its SME financing and political

risk insurance products, as well as an eligibility checklist that enables American companies to effectively pre-screen their suitability for OPIC support.



The new site also offers updated descriptions of OPIC environmental, worker and human rights guidelines; agency economic analyses; information available under the Freedom of Information Act; and details on OPIC's new Office of Accountability, estab-



lished to review complaints about OPIC-supported projects. Also new are OPIC project profiles - updates on the developmental benefits of OPIC projects announced in years past.

OPIC President and CEO Robert Mosbacher, Jr. commended the agency's Office of External Affairs and web developer OmniStudio for completing the site update in fewer than six months.

UPCOMING EVENTS

August 30, 2006, Panama City, Panama
Franchise Forum sponsored by the U.S. Commercial Service Panama & U.S. Chamber of Commerce
Juan Carlos Rivera-Montes, Insurance Director
www.buyusa.gov/panama/en

September 28, 2006, Atlanta, Georgia
Expanding Horizons: OPIC-sponsored Workshop on Investing Overseas for Minority- and Women-owned Businesses
www.trademeetings.com

October 12, 2006, Chicago, Illinois
Expanding Horizons: OPIC-sponsored Workshop on Investing Overseas for Minority- and Women-owned Businesses
www.trademeetings.com

November 16, 2006, Los Angeles, California
Expanding Horizons: OPIC-sponsored Workshop on Investing Overseas for Minority- and Women-owned Businesses
www.trademeetings.com

