

News

IN THIS ISSUE >>

- >> Workshops Help U.S. Minority and Women-Owned Businesses Go Global
- >> Making a Difference in Africa's Capital Markets >> OPIC Launches Enterprise Development Network (EDN) >> OPIC Organizing Access to Opportunity in the Middle East conference >> OPIC Announces Greenhouse Gas Initiative >> What's NEWS at OPIC

OPIC Workshops Help U.S. Minority and Women-Owned Businesses Go Global

Helping minority and women-owned businesses grow by expanding overseas is an important priority for OPIC.

To meet this need, OPIC organized three regional workshops this fall entitled *Expanding Horizons*. The purpose of the workshops was to help minority and women-owned businesses understand the challenges and opportunities that come with expanding into the global marketplace, and the resources available to help them offered by OPIC and other U.S. government agencies. The workshops were held in cooperation with the U.S. Department of Commerce Minority Business Development Agency and the National Women's Business Council.

The workshops, which were held in Newark, Houston and San Francisco, attracted over 500 participants. Attendees heard in-depth presentations about OPIC's finance and insurance programs, other government programs that help U.S. businesses to compete overseas, and first-hand accounts from minority and women business owners active in the global marketplace. Participants also had an opportunity to discuss their business plans in one-on-one meetings with OPIC officials. The fall events were the culmination of a series of workshops that were also held in Atlanta, Chicago, Los Angeles and Miami.



Over 500 participants attended OPIC's Women and Minority-Owned Business Workshops, which were held in Newark, Houston and San Francisco.



OPIC: Making a Difference in Africa's Capital Markets

On a recent trip to Africa with US Treasury Secretary Henry Paulson, OPIC President and CEO Robert Mosbacher, Jr. announced that OPIC will provide up to \$250 million in financing to support three new investment funds in Africa, each designed to encourage the growth of capital markets on the continent, two of them by investing in private and exchange traded debt as well as private and exchange traded equity.

These funds are the first of several that OPIC will support as part of the Africa Financial Sector Initiative (AFSI) announced by President Bush in May 2007, and which will exceed more than \$1 billion in investment. The three funds announced will mobilize a total of \$750 million in investment. OPIC is in the final stages of approving two additional investment funds which would receive a minimum of \$150 million in OPIC financing, and would mobilize a total of \$450 million for investment in Africa.

OPIC is providing up to \$100 million for establishment of the Africa Catalyst Fund, which will invest in a portfolio of mezzanine finance,

exchange traded and private equity, exchanged traded corporate debt, convertible bonds, and private loans to provide growth capital in Africa. The fund, which has a target capitalization of \$300 million, will invest in OPIC-eligible countries throughout sub-Saharan Africa, with an emphasis on Nigeria, South Africa, Zambia, Ghana, Egypt, Kenya and Angola. OPIC selected as fund manager The Rohatyn Group.

The fund's investments will enable companies in a variety of industries to expand and potentially to tap the capital markets. It should also support financial instrument innovation and capital market development by expanding the pool of available investment securities in Africa, particularly in the areas of mezzanine and convertible debt.

Next, OPIC is providing up to \$100 million in financing for the Millennium Global Africa Opportunities Fund, which will invest in a variety of investment products, including corporate

bonds, convertible bonds, subordinated debt, preferred stock, warrants, options, sovereign debt, and exchange traded and private equity. Millennium Global Investments was selected to be the fund manager.

The fund, which also has a target capitalization of \$300 million, will invest in such sectors as natural resources, telecommunications, energy, infrastructure, financial services and manufacturing. It will focus on Anglophone East Africa and Francophone

West Africa, including Cameroon, Gabon, Ivory Coast, Liberia, Nigeria, Madagascar, Angola, Kenya, Zambia and Democratic Republic of Congo.

Finally, OPIC is providing up to \$50 million for the Atlantic Coast Regional Fund, which will make private equity investments in companies in west and central Africa, with a focus on Angola, Cameroon, Cote d'Ivoire, Democratic Republic of Congo, Gabon, Ghana, Nigeria and Senegal. Likely sectors for investment include transportation/logistics, manufacturing, agribusiness, financial services, telecommunications, mining and natural resources. The fund has a target capitalization of \$150 million.

The fund aims to have an impact on economic diversification because it intends to invest in privatizing companies, small- and medium-sized enterprises, and underserved sectors and regions. The fund should also generate technology and knowledge transfers through the introduction of new management techniques and production technologies, while leveraging the fund manager's marketing and distribution expertise. It will focus on companies that have not had other professional investors and have need of board-level leadership and capital. OPIC selected as fund manager Advanced Finance and Investment Group.

OPIC will provide up to \$250 million in financing to support three new investment funds in Africa.

Access to Opportunity in the Middle East **OPIC**

An International Investment Conference
Organized by the Overseas Private Investment Corporation

May 5-7, 2008
Kempinski Hotel Ishtar • Dead Sea, Jordan

REGISTER TODAY!
at www.trademeetings.com

The advertisement features a collage of images: a modern city skyline, an offshore oil rig, a hand holding a stack of coins, and a domed building. The text is overlaid on a dark blue background with white and yellow accents.

OPIC is organizing its 5th annual international investment conference, *Access to Opportunity in the Middle East*, which will be held May 5-7, 2008 at the Kempinski Hotel Ishtar, Dead Sea, Jordan. For more information, and to register visit www.trademeetings.com.

OPIC Launches Enterprise Development Network to Expand Lending and Insurance to Small Businesses

In an effort to expand its reach to small businesses, OPIC established the Enterprise Development Network (EDN) in partnership with the private sector. EDN is a strategic alliance with the private sector that is greatly expanding OPIC's ability to provide financing and political risk insurance to micro-, small and medium-sized enterprises (MSMEs) doing business in developing countries. A previous analysis commissioned by OPIC concluded that a network such as EDN would be the most cost-effective way for OPIC to meet growing demand by American SMEs for the agency's support.

Through the support of financial institutions, business consultants, associations, law firms and regional investment promotion agencies, EDN is easing MSMEs' access to OPIC products and services. By empowering such private sector service providers, the network will result in more efficient, cost-effective delivery of services to American businesses.

EDN consists of three types of service providers:

- EDN loan and insurance **originators**, which help MSMEs to prepare OPIC applications, enhance market strategies and draft or refine business plans;
- EDN **designated lenders**, financial institutions which establish OPIC-backed lending facilities that provide loans to MSMEs or their affiliates for projects in OPIC-eligible countries; and
- EDN **advisers**, specialists in particular business sectors and geographic areas who assist OPIC in credit underwriting and due diligence on OPIC-funded loans.

"EDN represents an important milestone for OPIC, a significant leap forward in the agency's support for American small businesses," Robert Mosbacher, Jr., OPIC President and



Mr. Ronald Langston, National Director, Minority Business Development Agency, U.S. Department of Commerce, spoke at the official launch of the Enterprise Development Network.



EDN Originators, Designated Lenders and Advisors were on hand for a reception and two-day training session that marked the official launch of the Enterprise Development Network.



CEO, said. "For U.S. small businesses, the Enterprise Development Network will improve access to the kind of credit for overseas projects that is often difficult to obtain. It will also unlock an entirely new niche market for lenders and other service providers, offering them a valuable opportunity to expand their client bases into emerging markets overseas, and a new means to service those clients by decreasing capital requirements for their financing."

James Morrison, president of the Small Business Exporters Association, said the launch of EDN "will put wind into the sails of U.S. small businesses eager to expand into new markets. And as we know from experience, U.S.

small businesses are the best engines of sustainable development anywhere."

In June, Mosbacher announced that Wells Fargo HSBC Trade Bank would serve as an EDN designated lender through an agreement with OPIC to establish a \$100 million lending facility. The facility is expected to generate up to 50 loans over the life of the facility. Loans will range from \$3 million to \$15 million. The facility is expected to be the first of several that will enable EDN to grow significantly.

Since its launch, 21 organizations have agreed to serve as EDN loan originators. A full list of originators, lenders and advisers can be found at http://www.opic.gov/doingbusiness/edn/edn_originators_lenders_advisors.asp.

OPIC Announces Greenhouse Gas Initiative Capping Emissions on New Projects, Shifting Emphasis to Renewable Energy

Goal to reduce emissions by 20 percent in ten years; agency to enhance project accounting and reporting

OPIC is working to reduce greenhouse gas emissions in OPIC-supported projects by 20 percent in the next ten years and shift emphasis to renewable and energy-efficient projects, according to a new initiative announced in 2007 by OPIC President and CEO Robert Mosbacher, Jr.

To meet the portfolio reduction target of the OPIC Greenhouse Gas Initiative, OPIC is establishing an annual emissions cap for all new greenhouse gas emissions in OPIC supported projects to which the agency provides a commitment. The cap will be equivalent to the emissions from projects committed to by OPIC in fiscal year 2007, estimated to be between two and three million tons CO₂eq (see below). If met, the goal will result in a reduction in emissions from 54.7 million tons of CO₂eq in OPIC's current portfolio of OPIC supported projects, to a cap of 44 million tons in 2016.

On a project basis, OPIC is working with the private sector to encourage U.S. investment in renewable energy and energy efficiency improvement projects through the application of market-based incentives. OPIC is also considering emission reduction alterna-

tives for all OPIC-supported projects, including opportunities to enhance energy and operational efficiency; and the application of new technologies for the capture, storage and recovery of greenhouse gases.

In the fourth part of the initiative, OPIC is enhancing its accounting and reporting on greenhouse gas emissions, and on renewable energy and energy efficiency in the OPIC annual environmental report.

Instead of aggregate emission reporting, OPIC will report annual emissions of each significant OPIC-supported project's greenhouse gas emissions in the active portfolio as well as the projected emissions for each project receiving an OPIC commitment.

"A key part of the U.S. government's work in developing a multilateral approach to climate change is to support policies and projects that help developing countries to meet their energy needs in the most environmentally responsible manner," Mosbacher said. "The OPIC

GHG Initiative moves in this direction by directly addressing emissions. And in partnership with the private sector, we can support the projects and clean technology that will provide energy, spur growth while protecting the environ-

ment in developing countries."

Carbon dioxide equivalents (CO₂eq) is a metric measure used to compare the emissions from various greenhouse gases based upon their global warming

potential (GWP). The carbon dioxide equivalent for a gas is derived by multiplying the tons of the gas by the associated GWP. For example, the GWP for methane is 21 and for nitrous oxide 310. This means that the emissions of 1 million metric tons of methane and nitrous oxide respectively are equivalent to emissions of 21 and 310 million metric tons of carbon dioxide.

A fact sheet about OPIC's Greenhouse Gas/Clean Energy Initiative can be found on the homepage at www.opic.gov.

OPIC is working with the private sector to encourage U.S. investment in renewable energy and energy efficiency improvement projects through the application of market-based incentives.

What's NEWs at OPIC



Have you ever wondered what OPIC is doing in Latin America, where OPIC's investment funds are being utilized or what finance projects OPIC is supporting in Ghana? Now you can find out for yourself. The newest addition to OPIC's web site www.opic.gov is a database that allows users to search OPIC's current projects by the type of OPIC support, the region or country in which a project is located, the dollar amount or the year in which the project originated.

Visit <http://www.opic.gov/pubs/currentprojects/index.asp>.

FOR MORE INFO

Overseas Private Investment Corporation
1100 New York Avenue, NW
Washington, D.C. 20527
Tel: 202-336-8799
Website: www.opic.gov

To subscribe to OPIC News, please log onto OPIC's website and click on "Subscribe to news" at the top of the page.

Inquiries concerning OPIC News content: Erica Guries, editor
eguri@opic.gov