



OPIC Highlights

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

Historically, OPIC has provided more than \$4.7 billion in finance and insurance to support over 320 projects in sub-Saharan Africa. OPIC's current investments portfolio provides more than \$1.7 billion to projects ranging from housing and construction to tourism and financial services.

Bringing Potable Water to Communities

OPIC is providing a \$500,000 loan to Living Water International (LWI), a Texas-based non-profit organization, to drill potable water wells in rural areas of Kenya, providing scores of communities access to clean water. The loan will be used to purchase equipment - a high-capacity drilling rig, two supply trucks, an air compressor and two pumping service trucks - that will enable LWI to drill 70 more wells per year in Kenya and reduce a backlog of 500 requests.

As each borehole is being drilled, LWI crews will provide local stakeholders with instruction on water hygiene; after



drilling is completed, LWI will train stakeholders in well operation and maintenance.

The loan is OPIC's third to LWI: in 2001, OPIC provided a \$200,000 loan to enable LWI to purchase equipment and supplies to drill approxi-

mately 150 wells in Kenya. In 2002, a \$100,000 OPIC loan enabled LWI to drill more than 200 wells in Ghana. Both loans have been serviced as agreed.

Living Water International's wells have provided thousands of people in rural areas of Kenya - among several countries - access to clean drinking water, in the process promoting good health and reducing the incidence of water-borne dis-

eases such as cholera and typhoid. OPIC is pleased to work with LWI on a project with so many developmental benefits.

Since its inception in 1991, LWI has drilled more than 2,200 wells in various countries worldwide.



U.S. Small Business Uses OPIC Loan to Establish Wireless Network

A U.S. small business will use a \$7.6 million OPIC loan to establish a fixed wireless network in the populous Rivers State of southern Nigeria.

OPIC will provide the loan to Sirius Wireless Limited, a subsidiary of Washington, D.C.-based telecommunications developer ThirdWave Networks Holding Inc., for the first phase of a project that will ultimately subscribe 24,000 Nigerians to the network.

The project will provide residential, small and medium-sized enterprises, and large corporation subscribers in Rivers State with much-needed basic telephony, as well as internet service ranging from broadband, DSL, and dial-up. The first phase of the project will establish a network with an initial capacity of 4,000 subscribers.

Harris Corporation, a U.S. company, will build the network. ThirdWave Management, another subsidiary of ThirdWave Networks Holding, will provide senior management and strategic direction to the project.

OPIC Loan Helps Establish Flour Mill in Nigeria

OPIC is providing a \$6.7 million loan to a small business subsidiary of Deamar Group, a New York-based agribusiness company, for construction and operation of the only flour mill in Akwa Ibom State in southeastern Nigeria, providing a basic staple to an underserved segment of the country's population. The mill will produce bread flour and wheat offal, a by-product used to feed livestock. The flour will be sold to flour distributors and commercial bakeries in Akwa Ibom's main towns, the offal to farmers and owners of livestock. The mill will produce 200 metric tons of flour per day.

The mill will source its wheat - principally hard red wheat - for the flour from international markets but primarily from the United States. Nigeria is the United States' third-largest export market for wheat and the largest export market for hard red winter wheat.

Although demand for wheat flour in Nigeria has grown significantly in the past ten years - since 1998, the volume of retail bread sales has risen over 80 percent - only 60-to-65 percent of Akwa Ibom's population has access to sufficient supplies of bread flour.

This project is expected to have a profound impact on the nutritional development of Akwa Ibom's population, providing a basic staple to thousands of Nigerians on a daily basis. Moreover, it is supported by the American wheat industry, which will source the wheat for the mill. OPIC is pleased to support a project with developmental and economic benefits for both the Nigerian and American wheat industries.

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 facilitate funds for appropriate treatment for people who default on their mortgage loans as a result of HIV and Aids related illness.

The loan is being provided to Housing for HIV Inc., an organization established as a joint venture between New York-based Shared Interest, Inc. and South African-based Home Loan Guaranty Company (HLGC). Housing for HIV Inc. has raised an additional \$50 million from JP Morgan Securities, UK to form a \$300 million pool of funds. Net proceeds from the investment pool are being used to pay for voluntary counseling, testing, education and appropriate treatment for HIV-positive homeowners in South Africa who hold mortgages from banks that are guaranteed by HLGC. Treatment and education for affected homeowners is being provided through additional agreements with South African clinics.

The banks have finalized agreements with the Home Loan Guarantee Company. This innovative project not only supports the banks, but also 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.

U.S. Business to Increase Poultry Production in Ghana

OPIC is providing over \$5.6 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 Provides Loan for Housing Project in Zambia

OPIC is providing a \$46.3 million loan for a housing development in Zambia that will leverage \$80 million of new housing construction, generate 5,000 new homes and serve as a model for future housing projects in sub-Saharan Africa.

The project also represents significant progress toward fulfillment of the Bush Administration's African Mortgage Market Initiative, established in July 2003 to encourage the development of mortgage markets in sub-Saharan Africa.



OPIC financing is helping Zambia address its critical housing shortage.

OPIC will provide the loan to Houses for Africa Mortgage Finance Zambia, to facilitate mortgage financing for 5,000 new homes to be built in the Lilayi Housing Estate near Lusaka, the capital.



The company is a joint venture between Nevada-based Houses for Africa Inc.; Pangaea Holdings LLC. of Wisconsin; and City Investments Ltd, a Lusaka, Zambia-based agricultural and real estate development company.

The Lilayi estate will provide electricity, water and sewage, telephone, trash removal and parking services, as well stations for bus and taxi services. It will also feature a separate commercial and retail area with banking services on site, a school, clinic, green areas for recreation and a police post. The target buyers of the houses will be salaried workers and self-employed persons.

The U.S. Agency for International Development (USAID) will provide technical assistance in the enhancement of the title deeds registry system within the Zambian Ministry of Lands, which will ensure the timely delivery of certificates of mortgage and recording of mortgages.

The project will help Zambia address a critical housing shortage: the country's population growth rate for 1990-2000 was 2.9 percent, but the rate of increase of housing was less than one percent of the annual requirement of 600,000 units for urban areas. In particular, the high population growth rate and migration have resulted in the mushrooming of squatter settlements on Lusaka's periphery. Moreover, a recent study by USAID found that Zambia has virtually no retail mortgage market.

OPIC Supports Regional Transportation Network in Malawi, Mozambique and Zambia

In December 2004, OPIC loaned \$14 million to the private business consortium managing the existing Nacala Corridor rail and port system in Malawi, Mozambique and Zambia. The financing was the first tranche in a three-year financing plan for the rehabilitation of the rail and port network intended to reduce the cost of importing petroleum and much-needed food assistance, as well as exports and imports for small businesses.

The Consortium is also providing much needed passenger services in both Mozambique and Malawi, and is providing freight transport to remote locations in both countries that otherwise would have difficulty obtaining transport services.

In 2005, the Consortium commenced the refurbishment of the deep-water port of Nacala and the rehabilitation of the railway line in Mozambique and Malawi. These efforts will continue over the next two years until completion. After rehabilitation, the Consortium will continue to operate the Nacala Corridor Project for 12 years.

The private consortium has become an important contributor to the economic growth and development of eastern Zambia, Malawi and northern Mozambique, and the successful completion of the project will help the efforts of these countries 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.

OPIC Helps Answer Botswana's Growing Demand for Electricity

OPIC is providing an \$8.5 million investment guaranty to U.S. small business Kalahari Gas Corporation, owned in part by Covalent Energy Corporation of Arlington, VA, to help Botswana take advantage of its natural gas reserves, answering a growing demand for electricity. OPIC is helping 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.

OPIC Supports Two Investment Funds in Africa

OPIC is providing \$250 million in financing for the establishment of two private equity investment funds designed to support the growth of businesses in sub-Saharan Africa. Establishment of the funds fulfills an important objective of the Africa Growth and Opportunity Act.

Up to \$100 million of support will go to the establishment of the first fund, to be managed by Washington, D.C.-based Emerging Market Partnership (EMP). EMP's Africa Fund II will target investments in infrastructure and related industries in Africa, including telecommunications, oil and gas, power, transportation and agribusiness. The fund may also invest in the media, financial services and manufacturing sectors.

OPIC will provide up to \$150 million toward the establishment of the second fund, to be managed by Ethos Private Equity based in South Africa. The fund will promote the expansion of medium-sized enterprises in sub-Saharan Africa, with an emphasis on South Africa and the manufacturing and services sectors. Called Ethos Fund V, it will also support South Africa's effort to encourage black economic empowerment, as well as promote opportunities for women and low-income individuals through an arrangement with an investment firm, Sphere, which supports rural development and women-owned businesses.

OPIC to Host International Conference on Housing Investment in Africa

Identifying new opportunities for U.S. investment in housing sectors throughout Africa is the goal of an international conference to be hosted by OPIC. Called HOUSING AFRICA, the conference will be held May 2-4 in Cape Town, South Africa.

HOUSING AFRICA represents a unique opportunity to hear from leading housing experts, U.S. businesses actively investing in the housing sector, legal experts, private equity fund managers, and U.S. and African senior government officials about investment potential in the continent's many emerging markets. The conference will also feature local businesses and banks engaged in the housing sector, and provide opportunities for facilitating key private sector investment partnerships with U.S. businesses planning to invest in the sector.

Safe, affordable housing is not only a universal basic need, but it is also a cornerstone of economic growth worldwide. This conference will bring face-to-face leaders of America's housing industry -from homebuilders to mortgage financiers - with African business counterparts and government officials, in order to both identify new markets for their products, and establish opportunities for joint ventures.

For more information, and to register, visit www.trademeetings.com



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 more than \$164 billion worth of investments that have generated over \$69 billion in U.S. exports and supported more than 264,000 American jobs. For more information please go to www.opic.gov.