



# OPIC Projects

## OPIC and the Environment

*OPIC has a long-standing commitment to the environment and has been a leader among bilateral financial institutions in working with investors and environmental groups to develop effective environmental policies and procedures. All prospective OPIC projects receive a thorough environmental assessment.*

### Expanding Eco-Tourism in Thailand

Pacific Subsea Saipan will develop an underwater submarine reef exploration tourism project located on the island town of Phuket in Thailand with a loan from OPIC. The project will involve the operation of the 48-seat state of the art submarine that will tour underwater reef sites and other attractions.

The OPIC loan will provide working capital as well as funds to construct the necessary docking and related facilities.

The project is notable in that it is the first such tourism operation in Southeast Asia and it will help support Phuket's tourist industry, currently a primary engine of economic growth for the country.

Pacific Subsea Saipan also intends to duplicate its successful program of taking local school children on submarine rides to educate them about marine life, and to help inspire an appreciation for both the ocean itself and for environmental awareness.

The project is expected to create 44 permanent local jobs for Thai nationals by the fifth year of operations. The U.S. sponsor, Pacific Subsea Saipan, Inc., a small business, has operated an identical business in Saipan for over ten years.

### Tapping Solar Power in Sri Lanka

The Solar Electric Light Company (SELCO) of California, will be able to expand their operations because of an OPIC loan of \$100,000. SELCO, will on-lend the funds to its subsidiary in Sri Lanka. The subsidiary will use those proceeds to guarantee local bank loans for financing sales of SELCO's solar home systems to Sri Lankans, through a local nonprofit micro-finance institution. SELCO's solar systems, which sell for between \$450 and \$650, convert sunlight directly into electricity through roof- or pole-mounted solar photovoltaic modules, which charge deepcycle batteries with DC current. The modules can produce power for up to 25 years, and are guaranteed by SELCO for a minimum of ten years.

SELCO provides after-sales maintenance through its local network of sales and service centers. SELCO is currently installing more than 200 solar home systems per month in rural areas of Sri Lanka, thus providing a reliable source of electricity for homes not located on the



country's main power grids, which serve only 50 percent of the population. The Sri Lankan government has declared a need to develop power production between 1999 and 2009; current reliance on hydroelectric sources for 70 percent of production puts the country at risk for shortfalls during periods of drought. Bringing

### Potable Water to Communities

Following on last year's groundbreaking project in Kenya, OPIC recently gave a direct loan of \$100,000 to Living WaterInternational (LWI), a U.S. non-profit corporation, for the development of water wells in Ghana. The funds will be used to purchase a new drilling machine and air compressor, and other necessary equipment and materials to complete the planned wells. The funds from this investment will enable LWI to significantly increase its production capacity.

According to LWI, childhood illnesses caused by waterborne diseases have been reduced from 95 percent to less than 5 percent in communities where pure drinking water has been provided.



All wells will be tested for contamination before commencing water supplies in order to protect public health. Water boards comprised of local citizens are established at each well site. These water boards are encouraged to sell the water for a penny a bucket to finance the maintenance and to give the communities a sense of well ownership. Additionally, local citizens are trained to drill and maintain the wells, pumps and storage tanks, keeping them free from contamination. emerging market countries. The \$186.7 million combined) Global Environment.

## Expanding Access to Safe Drinking Water

Faro de Agua, a company comprised of a U.S. small business and a Mexican family-owned company, will double its water purification facilities in an earthquake ravaged area of Mexico, with a \$1.5 million loan from OPIC.

The company will expand its curb-side water purification and distribution sites called faros from 28 to 59 in the state of Colima. Colima was the epicenter



of a January 21 earthquake that killed more than two dozen people.

The faros are lighthouse-shaped automated kiosks from which pedestrians draw water in one- or five-gallon quantities, at a fraction of the cost -- tow and five pesos, respectively--of Faro de Agua's competitors. Water distributed from the faros is subjected to a multi-stage, reverse-osmosis purification and an

ultra-violet light sterilization process that produces purified water.

## Providing Housing while Helping the Environment



The most ambitious project in the housing sector undertaken by OPIC in 2002 was a \$15 million loan guaranty to the Soros Economic Development Fund that will enable South Africa's National Urban Reconstruction and Housing Agency to finance the construction of 90,000 homes and associated infrastructure for low-income families in South Africa.

These homes will provide shelter and sanitation for up to half a million people. Many of these people are now housed in informal, unregulated settlements often located on marginal land impacting heavily on sensitive ecosystems.

All of these homes will meet provincial and national housing standards, which require environmental studies in order to establish the sustainability of the project. Other requirements mandate that the developer obtain certification from the

municipality that water and sanitation can be provided by the local authority.

## OPIC Funds Invest in the Environment

The direct equity investments of OPIC-supported funds complement OPIC's insurance and project finance activities. By supplementing the capital of funds which are privately financed and managed by experienced private investment professionals, OPIC can help profit-oriented enterprises in the emerging markets access risk capital, management guidance, and financial expertise.

OPIC supports three funds that provide investments in environment-oriented sectors: The \$237.75 million Agua International Partners Fund invests in operating and special purpose companies involved in the treatment, bulk supply and distribution of water in emerging market countries.

The \$186.7 million (combined) Global Environment Emerging Markets Fund I & II are fully invested in environment-oriented sectors relating to the developing, financing, operating or supplying of infrastructure relating to clean energy and water.



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 nearly \$145 billion worth of investments that will generate \$65 billion in U.S. exports and create more than 254,000 American jobs.

For general information, contact OPIC's InfoLine at (202) 336-8799. For information and to subscribe to the OPIC News via the Internet please go to <http://www.opic.gov>. 