

News

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OPIC Board Approves Over \$500 Million for New Renewable Energy Funds

OPIC's Board of Directors has approved \$505 million in financing for six new private equity funds designed to invest in clean and renewable energy projects in emerging markets worldwide. The funds will mobilize a total of \$1.6 billion in capital for the sector,



representing an historic commitment by OPIC to renewable energy.

For several emerging markets, these funds will provide the first significant pool of capital available for investment in clean and renewable energy projects. As such they represent an important breakthrough for renewable energy globally—a step forward from general agreement on the need to develop more renewable energy sources, to the actual provision of capital to make it happen.

The following are descriptions of four of the funds approved by the Board:

Middle East & Asia Capital Partners Clean Energy Fund II

OPIC is providing up to \$50 million in financing to the fund, which will invest in a wide spectrum of renewable energy projects throughout Asia, with an emphasis on India, Indonesia, Malaysia, Pakistan, Philippines, Thailand and Vietnam. OPIC selected as fund manager Middle East & Asia Capital Partners Pte., Ltd (MEACP), a private equity platform connecting the Middle East and Asia.

These funds represent a milestone in OPIC's commitment to renewable energy: the agency's largest investment in the sector to date.



South Asia Clean Energy Fund

OPIC is providing up to \$100 million in financing to the fund, which will invest in companies and projects that support the need for cleaner forms of energy in the region—including those utilizing solar, wind, hydropower, bio-fuel and natural gas. The fund will also invest in technologies that promote: energy efficiency; improved batteries and storage, clean transportation, clean water systems, and environmental and energy efficient building. OPIC selected as fund manager GEF Management Corporation, which has previously managed two successful OPIC Funds.

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OPIC Support to Expand Mortgage Lending in Egypt and Jordan

OPIC has announced that up to \$500 million in financing will be available to enable Egypt and Jordan to expand mortgage lending to low- and middle-income home buyers.

In Egypt, OPIC's \$250 million loan will enable Commercial International Bank (CIB), the largest privately-owned commercial bank in Egypt, to extend long-term mortgage loans to middle-income home buyers. It will also be used to allow other Egyptian financial institutions to originate long-term mortgages to low- and medium-income home owners. The low-income loans will finance residences with values of no greater than US\$21,000.

Ripplewood Holdings, a private equity firm based in New York, is the U.S. sponsor of the project. In 2006, the firm led a consortium in purchasing a substantial interest in CIB.

The OPIC loan facility will establish a 'best practices' approach to mortgages by insisting upon strict loan-to-value ratios, down payments and limits on note payment-to-monthly income ratios of 30-40 percent. This is expected to not only support responsible home ownership, but will also demonstrate to future investors the profitability of mortgage lending in underserved markets.

Additionally, OPIC has announced up to \$250 million in financing for new OPIC loan facilities that will enable three banks to extend long-term mortgage lending to low-income households in Jordan.

Through the facilities, OPIC will provide up to \$100 million to the Arab Bank and Housing Bank for Trade and Finance each, and up to \$50 million to the Cairo Amman Bank. The banks will use the OPIC financing to fund 25-year mortgages for low-income households in Jordan in connection with King Abdullah's National Housing Initiative, by which the country aims to construct 20,000 residences annually for the next five years.

Helping to expand the availability of and access to housing in developing countries is an important part of OPIC's mission, and through support of these projects, OPIC is also helping U.S. businesses in the housing sector to grow through overseas investment.

A joint venture by the Middle East Investment Initiative (MEII) and CHF International (CHF) will serve as the U.S. sponsor for the project. It will provide technical oversight to the project, reviewing mortgage credit policies and origination and servicing procedures, and conduct on-site monitoring of the banks' performances. CHF and MEII are currently supporting OPIC's affordable housing program in the West Bank through a mortgage lending project that was approved by the OPIC board in April 2008.

CHF International is a U.S.-based nonprofit organization founded in 1952 that serves as a catalyst for long-lasting, positive change in low- and moderate-income communities, and currently works in more than 30 countries. MEII, also a U.S. nonprofit organization, provides loans to small and medium-sized enterprises in the West Bank.

For more information about OPIC's Housing & Mortgage Financing, please visit the web site at www.opic.gov/financing/loans/housing/index.asp ■

Renewable Energy **CONTINUED FROM PAGE 1**

FE Global Clean Energy Services Fund IV

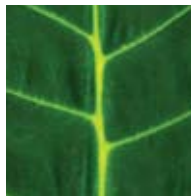
OPIC is providing up to \$55 million in financing to the fund, which will invest in renewable energy and energy-efficient emission reduction projects in Asia, Central and Eastern Europe, and Latin America.

OPIC selected as fund manager GEM Management IV Corp., an affiliate of FE Clean Energy Group, Inc., a leading private equity fund management firm focused on renewable energy and energy efficiency investments in emerging markets.

US Renewables Group

OPIC is providing up to \$100 million of capital to be co-invested in

renewable power generation, clean fuels and renewable energy value-chain investments in emerging markets world wide. US Renewables Group is the fund manager, and OPIC capital will be managed in connection with the USRG Power and Biofuels Fund III. ■



OPIC Signs Several Agreements to Support Economic Development in Georgia

OPIC has announced that the agency is working toward approval of \$176 million in financing for seven new projects in Georgia, which would inject much-needed capital into the fledgling democracy's banking, construction and manufacturing sectors.

In these new projects, OPIC has carefully identified sectors—finance, construction, tourism and manufacturing—that can best catalyze Georgia's economic growth. By creating jobs and stimulating secondary economic activity, these projects will support the growth of Georgia's financial and economic infrastructure, so that increasing numbers of Georgian citizens can enjoy the benefits of a free market economy.

Among the new projects which OPIC intends to support are:

TBC Bank

OPIC will provide up to \$40 million in financing to TBC Bank to help support the bank and help it expand its residential mortgage lending in Georgia. These loans will be used primarily for low and middle income mortgages.

Bank of Georgia

Pending approval by OPIC's Board of Directors, OPIC hopes to provide up to \$40 million in financing to JSC Bank of Georgia to enable the bank to expand its residential mortgage lending in Georgia, in cooperation with WorldBusiness Capital, a U.S. small business lender.

Park Hyatt Tbilisi

OPIC is considering up to \$30 million in financing for the construction



Over \$200 million in American investment was signed during the two day Business Summit and Trade Mission to Georgia organized by the American Chamber of Commerce Georgia and the American-Georgian Business Council. The event was certified by the U.S. Department of Commerce.

of a hotel and residential apartment project to be managed by Hyatt International as a Park Hyatt.

GMT Real Estate

Pending approval by OPIC's Board of Directors, OPIC hopes to provide up to \$40 million in financing for the construction of a multi-use building in downtown Tbilisi opposite the Georgian Parliament building. The new building will comprise office space, apartments, retail stores, and executive hotel suites, parking and a public art space.

GMT Mtatsminda

OPIC is considering up to \$10 million in financing for the renovation of an historic three-story building in Mtatsminda Park in Tbilisi. The multifunctional business complex will include space for meetings, incentives, conferences and events, a restaurant, a



banquet venue, and entertainment and retail operations.

Sante GMT Products

OPIC is considering up to \$10 million in financing for the expansion of a dairy and juice manufacturing facility for the production of cheese, butter, and other products and the construction and equipping of milk collection centers.

SB Iberia

OPIC has committed to provide a \$6.3 million direct loan to Joint Stock Company SB Iberia for the construction of an apartment building for moderate-income families in Tbilisi. The project is a joint venture between JSC Iberia Real Estate and JSC Bank of Georgia. Firebird Avrova Advisors, LLC is the U.S. sponsor of the project. ■

By supporting these projects, OPIC hopes to demonstrate the United States' ongoing support for Georgia's economic development, recognizing the sacrifices the nation has made to open its markets and enable its citizens to participate in the global economy.

OPIC & Pakistani Company Sign Agreement to Insure U.S. Investors

OPIC has signed an agreement with IGI Insurance Limited, a leading insurance company in Pakistan, that will enable the two parties to work together to insure U.S. investors in Pakistan. The signed memorandum of understanding (MOU) authorizes OPIC to act as a reinsurer to IGI Insurance for investors in Pakistan with U.S. participation.

The International Executive Service Corps (IESC), in its capacity as an Enterprise Development Network originator, played an important role by introducing IGI to OPIC and facilitating the discussions.

IGI Insurance Limited (formerly International General Insurance Company of Pakistan Limited) is a flagship organization of Packages Group, one of

This agreement recognizes the United States and Pakistan's common interest in seeking to strengthen the level of U.S. private sector investment in Pakistan as a means to increase jobs and entrepreneurial opportunity in the country.

the leading business houses of Pakistan. IGI Insurance underwrites all types of property and casualty insurance. ■

SAVE THE DATE—

OPIC is a collaborating partner for the upcoming **Implementation of Renewable Energy in the Emerging Markets of Africa, Latin America, and the Caribbean conference**, which will be held **April 27–29, 2009** in San Francisco, California.

What's NEWs at OPIC

Sponsored by the California State Centers for International Trade Development (CITD), the conference will bring together technology providers, investors, and community implementers from the U.S. and emerging markets to discuss the successes, challenges, and the potential for solutions associated with implementing sustainable renewable energy infrastructures in these emerging markets.

The conference will familiarize participants with the renewable energy industry in the US, including optional visits to renewable energy sites (solar, wind, bio-fuel, etc.). The agenda will also include strategies for infrastructure development, financing utility-scale projects, current technologies, as well as other procedures that will allow US companies to access the emerging markets through partnerships.

The Conference coordinator is the Bay Area Center for International Trade Development; Richard Soyombo, Executive Director. For information on participating, co-sponsoring, reserving exhibit space, etc., contact Nancy Kraus at krausn@smccd.edu, or 650-738-7098. Please visit our new website: www.REEM09.net—after November 25th. ■

CALIFORNIA STATE CENTERS FOR INTERNATIONAL TRADE DEVELOPMENT
Conference Announcement

Implementation of Renewable Energy in the Emerging Markets of Africa, Latin America, and the Caribbean

Save The Dates
Hotel Nikko San Francisco April 27 - 29, 2009

Conference Objectives:

- ▶ The successes, challenges, and potentials for solutions associated with the implementation of renewable energy in the Emerging Markets will be discussed.
- ▶ Attendees and participants will include energy industry leaders from the private and public sectors; decision/policy makers; and, major funding/lending institutions from the United States and the Emerging Markets.
- ▶ Participants will be familiarized with the renewable energy industry in the United States, including optional visits to renewable energy sites (solar, wind, bio-fuel, etc.)
- ▶ Conference attendees from Africa, Latin America, and the Caribbean will be familiarized with strategies for infrastructure development (e.g., PPA's, large scale off/grid installations); financing utility-scale projects; current technologies; as well as other procedures that will allow US companies to access the Emerging Markets through partnerships.

For More Information
To receive more information on participating, exhibiting, partnering, and/or co-sponsoring, please e-mail krausn@smccd.edu and provide complete contact information, including mailing address.

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