

# OPIC News

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## OPIC project will enable **HIV+** home owners to keep homes



OPIC's board of directors approved a groundbreaking project that will provide treatment for HIV-positive homeowners in South Africa, enabling them to keep their homes by guaranteeing banks against the risk of defaulted mortgage payments.

for HIV-positive homeowners in South Africa who hold mortgages from banks that are guaranteed by HLGC. Treatment and education for affected homeowners will be provided through agreements with South African clinics.

Under the project, provision of mortgages will not be limited to HIV-positive persons. Should

a homeowner miss a mortgage payment and be found to be HIV-positive, the treatment program will be

initiated for the affected individual and monitored closely by participating clinics. The project stands to help at least 350,000 South Africans obtain new mortgages and keep their homes.

The project addresses several objectives of the Bush Administration's Emergency Plan for AIDS Relief, which President Bush announced during his State of the Union address on January 28. The emergency plan 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.

OPIC will provide a \$250 million loan to Housing for HIV Inc., an organization set up as a joint venture between New York-based Shared Interest, Inc. and South African-based Home Loan Guaranty Company (HLGC). Housing for HIV Inc. will raise an additional \$50 million from U.S. foundations to form a \$300 million pool of funds. Net proceeds from the investment pool will be used to purchase medication



President Bush announced the Emergency Plan for AIDS Relief during State of the Union address. OPIC will work with New York NGO Shared Interest to provide mortgages to South Africans affected by the HIV/AIDS pandemic.



OPIC President and CEO Dr. Peter Watson said the project is groundbreaking for "challenging the stigma against persons with HIV/AIDS that exists not only culturally but within the financial community.

"Banks are reluctant to make new housing loans because of potential default risks resulting from the HIV/AIDS pandemic," Dr. Watson said. "By providing HIV treatment and a guaranty to keep homes in homeowners' hands, this project both respects the dignity of HIV positive homeowners and values them as productive members of society."

## MESSAGE FROM THE PRESIDENT

President Bush, in announcing the Emergency Plan for AIDS Relief during his State of the Union address, fully recognized the terrible cultural stigma which shadows the disease in Africa. "Because the AIDS diagnosis is considered a death sentence, many do not seek treatment," he said. "Almost all who do are turned away."

The HIV/AIDS stigma takes other forms, all of them debilitating, each of them a hindrance to recovery. Pertinent to OPIC is the financial stigma: among others, its effect is to render banks reluctant to make housing loans to low-income borrowers because of default risks resulting from the pandemic.

Seizing an opportunity to address this consequence, OPIC's board last month approved a groundbreaking project that will provide treatment for HIV-positive homeowners in South Africa, enabling them to keep their homes by

guaranteeing banks against the risk of defaulted mortgage payments.

In undertaking the project, OPIC teamed with an organization -- South Africa's Home Loan Guaranty Company (HLGC) -- which understands the financial stigma of HIV/AIDS. HLGC facilitates access to housing finance for lower-income groups, by providing indemnities to housing lenders where risk is not ordinarily covered in the commercial market.

By providing a \$250 million loan to Housing for HIV Inc., a joint venture between HLGC and New York-based Shared Interest, Inc, OPIC contributed to an investment pool whose proceeds will be used to purchase medication for HIV-positive homeowners in South Africa who hold mortgages from banks guaranteed by HLGC. The project stands to help at least 350,000 South Africans obtain new mortgages and keep their homes.



Dr. Peter S. Watson

This project is indeed groundbreaking, for its capacity both to respect the dignity of HIV-positive homeowners and to value them as productive members of society. We hope it provides a model that, by raising new foundations, begins to tear down one of the many walls HIV/AIDS has put before mankind.

## OPIC welcomes six new board members

Six new members of OPIC's board of directors were sworn in during December and January.

Collister Johnson, Jr., former chairman of the Virginia Port Authority, was sworn in by OPIC President and CEO Dr. Peter Watson. Johnson is one of two OPIC board members designated to represent U.S. small businesses.



Collister Johnson

Ned L. Siegel, a prominent real estate developer and leader in educational and civic causes in Florida, was sworn in by U.S. Ambassador to Italy Mel Sembler.



Ned Siegel

Dr. C. William Swank, longtime executive vice president of the Ohio Farm Bureau Federation, will serve as the OPIC board member designated to represent cooperative businesses.



William Swank



New OPIC board member Samuel Ebbesen, pictured with wife Lillian, was sworn in by US Secretary of State Colin Powell.

Samuel E. Ebbesen, former three-star general in the United States Army, was sworn in by U.S. Secretary of State Colin Powell. Ebbesen is also designated to represent U.S. small businesses.



John Morrison Dr. Peter Watson

John L. Morrison, managing director of private investment company Goldner Hawn Johnson and Morrison, Inc., was sworn in by Dr. Watson.



Diane Ruebling

Diane M. Ruebling, a vice president at MONY Life Insurance Company, also was sworn in.

### FOR MORE INFORMATION:

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# Africa in focus:

## Board approves \$125 million Citibank facility; housing project in South Africa underway

In the latest agency initiative to stimulate economic growth in sub-Saharan Africa, OPIC's board of directors in January approved a \$125 million guaranty facility that will support Citibank's lending efforts throughout the region.

Two weeks earlier, U.S. Trade Representative Robert Zoellick and South African Minister of Housing Sankie Mthembu-Mahanyele signed a loan guaranty enabling OPIC to provide \$15 million to help build 90,000 homes for low-income families in South Africa. The homes will shelter up to half a million people.

The guaranty facility will enable Citibank to provide U.S. dollar and local currency project and corporate loans in sub-Saharan Africa, with an initial focus on Angola, Botswana, Cameroon, Ethiopia, Kenya, Mali, Mozambique, Nigeria, Senegal, Tanzania and Uganda. A portion of the facility will be reserved for small and medium-sized enterprises.

OPIC President and CEO Dr. Peter Watson said that the facility would help Citibank overcome the current mismatch between opportunities to provide loans to emerging local companies in the region and the lack of banking capital in Africa.



U.S. Trade Representative Robert Zoellick, pictured at trade forum in Mauritius, signed an agreement with South Africa enabling an OPIC housing project to proceed.

"Access to long-term capital among entrepreneurs in sub-Saharan Africa is at odds with the vitality and capability they possess. This partnership between OPIC and Citibank will help to close that gap," Dr. Watson said.

The signing of the U.S.-South Africa agreement, witnessed by OPIC Executive Vice President and Chief Operating Officer Ross Connelly, coincided with the conclusion of a free trade agreement between the United States and the Southern African Customs Union.

Connelly said the project would not only help South Africa address a 2.2 million-unit shortage of low-income housing, but would also stimulate the local construction sector through expanded job opportunities.

OPIC's guaranty will enable a U.S. company to support a local South African bank, which, in conjunction an affiliate of South Africa's National Urban Reconstruction and Housing Agency (NURCHA), will on-lend Rand to private developers to construct low-income houses and associated infrastructure.



## OPIC names Africa Investment Council

OPIC President and CEO Dr. Peter Watson recently announced the membership of OPIC's Africa Investment Advisory Council, a ten-member committee established pursuant to the Africa Growth and Opportunity Act to assist OPIC efforts to generate increased U.S. private investment in sub-Saharan Africa.

The members of the council are:

**Paul Applegarth**  
Managing Director & COO,  
Emerging Africa Infrastructure Fund

**Dr. Kurt Campbell**  
Senior Vice President & Director,  
International Security Program, CSIS

**Tony Carroll**  
Managing Director, Manchester Trade

**Hon. Eva Clayton**  
U.S. House of Representatives,  
1st District, North Carolina, 1992-2002

**Aki Debayo-Doherty**  
Chief Executive Officer, Hammatan

**Robert Dugger**  
Managing Director,  
Tudor Investment Corporation

**Matthew Freedman**  
President, Global Impact

**Dwayne A. Gathers**  
President, Hanover Group, Inc.

**Hon. Lottie Shakelford**  
Executive Vice President, Global USA

**Hansel E. Tookes**  
President, Raytheon International, Inc.

Members represent industry and NGOs and include at least one small business representative. They serve two-year terms.

# OPIC loan expands wireless service in Bolivia

OPIC's board approved a \$50 million loan guaranty that will enable an American company to expand a wireless telecommunications network in Bolivia that is already contributing to economic development there.

NuevaTel, the Bolivian subsidiary of Bellevue, Washington-based Western Wireless Corporation and its affiliate



Western Wireless International, will use the OPIC guaranty to expand its network and to replace interim short term equipment financing with permanent long-

A \$50 million loan guaranty from OPIC will enable NuevaTel to reach more customers and improve GSM coverage.



term debt. The project will help NuevaTel offer more services to more customers and to improve the coverage of its high quality GSM network.

OPIC President and CEO Dr. Peter Watson noted that the relatively low cost of wireless service makes it affordable for a significant portion of Bolivia's population, particularly as an alternative to the high cost of obtaining a fixed line. Bolivia currently has one of the lowest fixed line penetrations in Latin America.

"Access to affordable wireless services is already having a profound impact on the average Bolivian, including the many independently employed who can enhance their productivity with a wireless phone," Dr. Watson said.

NuevaTel launched its service in Bolivia in November 2000 with 100 cell sites covering Bolivia's three largest cities, La Paz, Cochabamba, and Santa Cruz.

## UPCOMING EVENTS

**February 25-26, 2003, Miami, FL**  
**5th Annual Structured Trade and Export Finance in the Americas Conference**  
**Ruth Ann Nicastri, Regional Insurance Manager**  
[www.euromoneyseminars.com](http://www.euromoneyseminars.com)

**March 12-13, 2003, Paris, France**  
**8th Annual Projects International Conference**  
**Dr. Peter S. Watson, President and CEO**  
[www.icbi-uk.com](http://www.icbi-uk.com)

**March 31-April 2, 2003, London, England**  
**CIS Gas & Oil Summit:**  
**Russia, the Caspian and Central Asia**  
**Rashmi Nehra, Senior Insurance Officer**  
[www.theenergyexchange.co.uk](http://www.theenergyexchange.co.uk)

**April 22-23, 2003, Washington, D.C.**  
**Export-Import Bank 2003 Annual Conference**  
**Judyth Gilber, External Affairs & Protocol Officer**  
[www.exim.gov](http://www.exim.gov)

