

OPIC News

April 2004
Vol. 6 No. 3

Published by the **Overseas Private Investment Corporation**
An Agency of the United States Government

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OPIC and environmental group support initiative linking business & conservation

OPIC and Conservation International (CI), a leading environmental organization, in April announced a \$2.5 million direct loan by OPIC to help launch CI's Verde Ventures initiative, which advances conservation efforts through investment in environmentally-sensitive businesses.

The first disbursement of OPIC's loan

through Verde Ventures will be used to provide a three-year, \$300,000 low interest loan to finance the efforts of 250 Indonesian vanilla farmers in Sumatra to protect, restore and maintain an estimated 5,000 hectares of environmentally-sensitive habitat in and around their farmland. Vanilla represents one of the



Sumatran vanilla farmers will use a loan from Conservation International's Verde Ventures Fund, supported by OPIC, to protect farmland located in the Gunung Leuser Ecosystem.

only viable options for farmers in Sumatra to earn a living without destroying what is left of Sumatra's forests.

"Investment in environmentally-conscious businesses, such as those supported by Conservation International's new fund, will be essential to preserving biodiversity, and to enlisting local populations in this important work," OPIC President and CEO Dr. Peter Watson said.

The Sumatra project is being led by ForesTrade Indonesia (FTI), a subsidiary of ForesTrade Inc, a Vermont based company

that fosters sustainable small farm development, biodiversity conservation, and supports social and economic progress in the farming communities in Indonesia and Guatemala.

"Verde Ventures supports the adoption of environmentally-sound business practices, which are vital to achieving our mission of protecting the world's biodiversity while ensuring that local communities have sustainable economic opportunities," said Peter Seligmann, Chairman and CEO of CI. "We are encouraged to have partners like OPIC support this vision and help us achieve real conservation outcomes."

Verde Ventures is a \$6 million investment fund owned by CI which strengthens small and medium-sized enterprises that are strategically important to biodiversity conservation. CI is responsible for selecting potential borrowers; when using OPIC funds, projects are subject to review by OPIC.

VERDE VENTURES
AT CONSERVATION INTERNATIONAL ABOUT | PORTFOLIO | ELIGIBILITY

About Verde Ventures

Verde Ventures is a \$6 million investment fund managed by Conservation International (CI) which strengthens small and medium-sized enterprises that are strategically important to biodiversity conservation. The fund provides debt and equity financing of \$100,000-\$500,000 to select businesses in CI's priority areas. Currently, the fund does not provide grants.

Verde Ventures has helped secure the protection of 240,000 hectares of key habitat, while supporting businesses which employ over 8,000 local people in 8 countries. By 2010, Verde Ventures projects to protect a minimum of 500,000 hectares and support 20 businesses which directly employ over 20,000 local people in place which support biodiversity conservation.

Verde Ventures is owned and managed by CI. Verde Ventures is one of three funds established by CI for the protection and promotion of biodiversity. For more information on the two complementary funds managed by CI, please visit:

Additional Information:
- Verde Ventures Factsheet (PDF)
- Verde Ventures Factsheet (Español) (PDF)

Use in this page:
En Español (Español)
En Português (Portuguese)
En Français (French)

ABOUT VERDE VENTURES
- Supporters
- Staff and Advisors
- Investment Committee

MESSAGE FROM THE PRESIDENT

Innovation is a positive consequence of partnership, one that often surprises partners themselves. When two skilled actors from entirely unrelated fields pool their talents in the service of a goal that serves them both, however, perhaps it shouldn't surprise them that new and uniquely productive methodologies emerge.

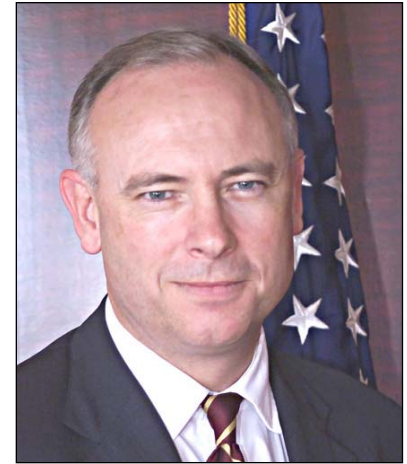
OPIC's contribution of a \$2.5 million direct loan to an initiative, managed by a top environmental organization, which strengthens small and medium-sized enterprises that are important to biodiversity conservation, represents just such innovation.

The initiative, Verde Ventures, provides debt and equity financing to businesses contributing to biodiversity conservation in areas deemed priorities by Conservation International (CI), which works to protect global biodiversity by developing scientific, policy, and economic solutions to protect threatened natural ecosystems.

The first disbursement of OPIC's loan through Verde Ventures will be used to provide a three-year, \$300,000 loan to finance the efforts of 250 Indonesian vanilla farmers in Sumatra to protect, restore and maintain an environmentally-sensitive habitat in and around their farmland. Vanilla, which grows best adjacent to primary forest cover, represents one of the only viable options for farmers in Sumatra to earn a living without destroying what is left of Sumatra's forests.

The project is being undertaken by a subsidiary of a Vermont-based company that fosters sustainable small farm development, biodiversity conservation, and supports farming communities in Indonesia and Guatemala.

Investment in environmentally-conscious businesses, such as those supported by CI, is essential to preserving biodiversity, and to enlisting local populations in this important work. And that is where OPIC comes in. By putting American capital to



Dr. Peter S. Watson

work for the benefit of both U.S. and local businesses - in this case, Indonesian vanilla farmers and their American supporters - OPIC and Conservation International have found an innovative way to support both the environment and indigenous economies which affect, and are affected by, its preservation.

U.S. small business uses OPIC insurance to treat soil, improve crop yields in Pakistan

A U.S. small business will use OPIC political risk insurance to provide advanced soil treatment technology to farmers in Pakistan, enabling economically depressed rural regions of that country to increase their crop yields.

OPIC will provide \$1.1 million in insurance to Sweetwater International, Inc., of Salt Lake City for the manufacture, sale and leasing of Sulfurous Acid Generator (SAG) machines throughout Pakistan. The SAG technology, patented by Sweetwater International, reduces salinity and sodicity in soil, resulting in improved arability and increased agricultural yields. The company estimates that the project will increase farmers' annual crop yields by more than 30 percent, and will therefore help Pakistan reduce poverty on a local basis.

Sweetwater Pakistan, the company's local subsidiary, will make the machines available to Pakistani farmers through sale and leasing to non-governmental organizations and government agencies, and by selling them directly to distributors and end users. The project will begin in Punjab province.



Sweetwater International of Utah has established a research institute to train Pakistani farmers in irrigation management and soil treatment technology, creating 185 jobs.



FOR MORE INFORMATION:

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Emerging Europe in focus:

OPIC conference draws 300 participants
looking to invest in dynamic 15-country market



OPIC hosted *Forging New Partnerships in Emerging Europe*, an investment conference targeting U.S. business opportunities in the region, from March 9 to 11. OPIC President and CEO Dr. Peter Watson, right, opened proceedings. Far right, Noreen Doyle, first vice president of the European Bank for Reconstruction and Development, was a keynote speaker.



Left, William Hennessey of the American Chamber of Commerce in Macedonia makes a point as Valentin Georgiev of the Bulgarian AmCham listens; above, OPIC's John Moran and Margaret Kostic of the Export-Import Bank of the United States; right, Prime Minister Adrian Nastase of Romania.



Far left, keynote speaker Michael Fleischer, deputy director, Office of Private Sector Development, Coalition Provisional Authority in Iraq; center, the Cercul Militar, a military club in Bucharest, Romania, hosted an opening reception; left, Dr. Watson welcomes President Ion Iliescu of Romania.

OPIC announces new project in Ukraine, urges economic reforms

OPIC President and CEO Dr. Peter Watson in March announced OPIC's first new project in Ukraine in five years, and said U.S. private sector investment in the country would increase once Ukraine had resolved outstanding investment disputes involving American companies.

At a signing ceremony witnessed by Ukrainian officials, Dr. Watson announced that OPIC would provide \$3.8 million in political risk insurance to a U.S. small business involved in a joint venture that will manufacture suspension systems for railroad freight cars in Ukraine. The project will substantially benefit the Ukrainian economy, which relies on both its rail system and heavy industry.



OPIC President and CEO Dr. Peter Watson and Jeffrey Miller, senior vice president of the Export-Import Bank of the United States, flank Oleksandr Chalyi, first deputy prime minister of Ukraine, at a signing ceremony in Kiev.

"Today's signing sends a message to potential U.S. investors that Ukraine has resolved to be a good partner to

American companies interested in doing business in this resource-rich nation," said Dr. Watson. "Continued OPIC activity in Ukraine is conditional upon prompt settlement of outstanding disputes with U.S. companies. Once settlement is achieved, OPIC looks forward to working with Ukrainian businesses and the Ukrainian government, and expanding our activity in the country."

OPIC and the government of Ukraine last December signed a memorandum of understanding enabling OPIC to resume activity in the country, with a stipulation that the parties conclude by January 1, 2005 an agreement to settle an insurance claim on an OPIC-supported project in Ukraine.

UPCOMING EVENTS

April 29-30, 2004, Washington, DC
Export-Import Bank of the US Annual Conference
OPIC staff: Booth 115
www.exim.gov/news/annualconf

May 18-19, 2004, Miami, Florida
Securitization in Latin America Summit
Ruth Ann Nicastrì, Insurance
www.euromoneyseminars.com

May 18-19, 2004, Kansas City, Kansas
Kansas City World Trade Week
Daniel Nichols, Vice President, Investment Development & Economic Growth
www.itckc.org/WTW

May 19-21, 2004, Orlando, Florida
U.S. Small Business Administration Expo '04: Celebrating National Small Business Week
Daniel Nichols, Vice President, Investment Development & Economic Growth
www.sba.gov/50/expo2004.html

