



## News & Events

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### Press Release

Monday, November 19, 2007

#### **OPIC PROVIDES \$250 MILLION FOR THREE NEW INVESTMENT FUNDS IN AFRICA**

ACCRA, Ghana – Robert Mosbacher, Jr., president and CEO of the Overseas Private Investment Corporation (OPIC), announced today that OPIC would provide up to \$250 million in financing to support three new investment funds in Africa, each designed to encourage the growth of capital markets on the continent, two of them by investing in private and exchange traded debt as well as private and exchange traded equity. Mosbacher was joined at the announcement by [U.S. Treasury Secretary Henry M. Paulson, Jr.](#)

These funds are the first of several that OPIC will support as part of the Africa Financial Sector Initiative (AFSI) [announced by President Bush in May 2007](#), and which will exceed more than \$1 billion in investment. The three funds announced today will mobilize a total of \$750 million in investment. OPIC is in the final stages of approving two additional investment funds which would receive a minimum of \$150 million in OPIC financing, and would mobilize a total of \$450 million for investment in Africa.

“Africa’s capital markets are the final frontier of economic development on the continent, and the focus of these three new investment funds. Strengthening these markets will provide both African and foreign companies with the financial tools necessary to attract investment, and lay a strong foundation for projects in a variety of industries,” Mosbacher said. “I am pleased to be here with Treasury Secretary Paulson to announce OPIC support for these funds, which will result in myriad developmental benefits for businesses throughout Africa.”

OPIC will provide up to \$100 million for establishment of the Africa Catalyst Fund, which will invest in a portfolio of mezzanine finance, exchange traded and private equity, exchanged traded corporate debt, convertible bonds, and private loans to provide growth capital to in Africa. The fund, which has a target capitalization of \$300 million, will invest in OPIC-eligible countries throughout sub-Saharan Africa, with an emphasis on Nigeria, South Africa, Zambia, Ghana, Egypt, Kenya and Angola.

The fund’s investments will enable companies in a variety of industries to expand and potentially to tap the capital markets. It should also support financial instrument innovation and capital market development by expanding the pool of available investment securities in Africa, particularly in the areas of mezzanine and convertible debt.

The fund will also provide ‘multiplier effects’ through its provision of growth capital and management best practices, which will increase companies’ profitability and benefit suppliers and consumers through increased competition. It is expected to encourage foreign direct investment in the target countries, as well.

OPIC selected as fund manager The Rohatyn Group, a specialist emerging markets fund manager with \$1.9 billion in assets currently under management, spread among four global investment funds.

Next, OPIC will provide up to \$100 million in financing for the Millennium Global Africa Opportunities Fund, which will invest in a variety of investment products, including corporate bonds, convertible bonds, subordinated debt, preferred stock, warrants, options, sovereign debt, and exchange traded and private equity.

The fund, which also has a target capitalization of \$300 million, will invest in such sectors as natural resources, telecommunications, energy, infrastructure, financial services and manufacturing. It will focus on Anglophone East Africa and Francophone West Africa, including Cameroon, Gabon, Ivory Coast, Liberia, Nigeria, Madagascar, Angola, Kenya, Zambia and Democratic Republic of Congo.

Like the Africa Catalyst Fund, the Millennium Global Africa Opportunities Fund will help to diversify African capital markets, which are currently dominated by sovereign debt and exchange traded equity. It will expand the pool of available investment securities in Africa, particularly in the areas of mezzanine and convertible debt. The fund will also increase the market for alternative securities.

In particular, the fund will target investments that are undervalued and whose value could be unlocked by capital market transactions, increased liquidity, information flow, improved operations, an initial public offering, or recapitalization.

OPIC selected as fund manager Millennium Global Investments, a privately owned investment management firm launched in 1994. The firm currently has more than \$10 billion in assets under management across eight investment funds. Millennium has been investing in Africa since 2001, and currently has 33 investments totaling \$214 million in capital.

Finally, OPIC will provide up to \$50 million for the Atlantic Coast Regional Fund, which will make private equity investments in companies in west and central Africa, with a focus on Angola, Cameroon, Cote d'Ivoire, Democratic Republic of Congo, Gabon, Ghana, Nigeria and Senegal. Likely sectors for investment include transportation/logistics, manufacturing, agribusiness, financial services, telecommunications, mining and natural resources. The fund has a target capitalization of \$150 million.

The fund aims to have an impact on economic diversification because it intends to invest in privatizing companies, SMEs, and underserved sectors and regions. The fund should also generate technology and knowledge transfers through the introduction of new management techniques and production technologies, while leveraging the fund manager's marketing and distribution expertise. It will focus on companies that have not had other professional investors and have need of board-level leadership and capital.

OPIC selected as fund manager Advanced Finance and Investment Group, which was founded in 2005 and has offices in Washington, D.C., Senegal and South Africa.

All three of the investment funds were approved by OPIC's board of directors in September 2007. The Board will consider additional funds under the AFSI in the coming months.

OPIC was established as an agency of the U.S. government in 1971. It 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.

OPIC's political risk insurance and financing help U.S. businesses of all sizes invest in more than 150 emerging markets and developing nations worldwide. Over the agency's 35-year history, OPIC has supported \$177 billion worth of investments that have helped developing countries to generate over \$13 billion in host-government revenues and create over 800,000 host-country jobs. OPIC projects have also generated \$71 billion in U.S. exports and supported more than 271,000 American jobs.

OPIC supports U.S. investment in emerging markets worldwide, fostering development & the growth of free markets.

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