Supporting Private Sector Investment in Afghanistan

**OPIC is providing more than $94 million in financing and insurance to projects ranging from construction and manufacturing to tourism infrastructure, transportation and services.**

**OPIC Loan to Refurbish Soft Drink Plant**

A U.S. small business will use a loan from OPIC to refurbish a soft drink plant in Afghanistan, helping the country both address a lack of clean drinking water and meet a growing demand for carbonated beverages.

OPIC is providing $3.1 million to QWO Joint Stock Company, a small business owned by a group of Afghan-Americans and Afghans, to refurbish a plant near Kabul and produce soft drinks in 250 ml recyclable glass bottles. QWO will use warehouse and direct delivery systems to distribute the beverages. The plant will employ 132 Afghans and indirectly create more than 1,000 jobs, primarily in distribution and product sourcing services.

The plant was built by QWO in 1991 and opened the following year, but shut down after rebel forces invaded Kabul. This project demonstrates that Afghanistan's economy is slowly beginning to stabilize, in part by recognizing a significant market in the increasing numbers of Afghans returning home from Western countries. Even more importantly, its developmental benefits will help Afghanistan address a need for safe drinking sources.

**OPIC Insurance Helps Humanitarian Aid Reach Developing Countries**

The International Rescue Committee, Inc. (IRC), one of the world's leading humanitarian nonprofit organizations, will be able to carry out humanitarian, disaster relief and medical assistance, refugee resettlement and retraining programs in 17 developing countries worldwide, including Afghanistan with the support of $5 million in OPIC political risk insurance.

The OPIC insurance will cover items in IRC offices such as computers, furniture, generators and pumps, as well as tools, medicines and vehicles.

**OPIC Loan to Provide Business Support Services**

OPIC is providing a $300,000 loan to U.S. small business IBS Holdings to provide business support services to companies establishing operations in Afghanistan.

The loan will be used to outfit an office in Kabul with equipment, from which IBS will offer support services to business representatives such as short-term office leasing, meeting services, business registration assistance and secretarial/technical support. IBS will also liaise with Afghan government ministries concerning licenses, customs and client needs. As such, IBS stands to be the first comprehensive, business solution service company in Kabul to provide clients with international as well as local knowledge.
OPIC Financing & Insurance Help Build Modern Housing

An OPIC-supported project is helping to provide modern housing to an area devastated by more than two decades of conflict.

Maskan Ltd., a U.S. small business and subsidiary of Maskan Inc. of Delaware will use a $2.47 million loan and a $753,000 political risk insurance ‘wrap’ from OPIC to build three residential buildings in Kabul. In addition to building 105 new housing units for middle-income Afghans, along with related water, sewage and backup electrical systems, the project will also provide much-needed investment in the country’s depleted housing sector.

The project represents the first phase in a development, called Sharhara, that will ultimately comprise 17 buildings - 10 residential, six mixed residential and commercial, and one commercial. This project comes at an important time as many regions of Afghanistan, especially cities such as Kabul, experience an acute shortage of housing due to a large influx of refugees from rural areas. Moreover, a recent U.N Habitat assessment of the most affected areas in Kabul indicated that approximately 80 percent of residential and commercial buildings had been damaged or completely destroyed during Soviet occupation and Taliban rule.

OPIC Insurance Supports Pharmaceutical Production Facility

Voted OPIC’s most developmental project in 2005, OPIC political risk insurance helped support the establishment of a sustainable pharmaceutical industry in Afghanistan, which is providing much-needed and affordable medicines to ordinary Afghans, as well as valuable technology transfer and job skills.

OPIC provided insurance to National Union Fire Insurance Company of Pittsburgh to support a policy issued to the Swiss-based non-profit association Business Humanitarian Forum (BHF). The policy insured the European Generic Medicines Association's (EGA) donation of medical equipment to an Afghan doctor who established the company called Baz International Pharmaceutical Company Ltd. (BIPC).

Establishment of the facility was the result of a three-year partnership between the BHF and EGA, the official representative body of the European generic pharmaceutical industry. Other partners in the project included the Deutsche Post World Net (DPWN)/DHL, which provided financial support and logistical assistance for the transportation of the equipment to Kabul, the German Investment and Development Corporation (DEG), and the United Nations Development Programme Afghanistan.

The BHF, DPWN/DHL and EGA have built, equipped, and trained staff for the facility, which is dispensing and packaging generic medicines, thereby improving the badly-needed quality and access to essential medicine for Afghan citizens.

OPIC Helps Rebuild Infrastructure

OPIC's commitment to support reconstruction efforts in Afghanistan included rebuilding the vital Kabul-to-Kandahar highway, which has reduced traveling time from Kabul to the country's second-largest city from two days to six hours. OPIC provided over $5 million in insurance to ARC Construction Company for heavy equipment used to repair the first 30 miles of the highway. ARC was established specifically to undertake infrastructure reconstruction projects in Afghanistan, and employs trained Afghans to do so.

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 more than $164 billion worth of investments that have generated over $69 billion in U.S. exports and supported more than 264,000 American jobs. For more information please go to www.opic.gov.