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**Evaluation of
Joint A.I.D./OPIC Investment Missions
to Africa**

Final Report

**Prepared for
Africa Bureau, Office of Operations
and New Initiatives (AFR/ONI)**

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Executive Summary

Since January 1991, the AFR/ONI office of the Africa Bureau of A.I.D. and the Overseas Private Investment Corporation (OPIC) have collaborated to conduct investment promotion efforts that facilitate the participation of private U.S. firms in African business ventures. Principal activities have been the joint organization and leadership of four major investment missions to selected countries. Representatives of over 100 U.S. companies have participated in these programs, sometimes characterized as business development missions, to a dozen African nations in search of mutually advantageous business linkages.

In the three-year period of 1987 to 1990, OPIC and A.I.D. separately conducted only three structured visitation programs to sub-Saharan Africa. By comparison, in the same period OPIC arranged about 20 investment or trade missions to other geographic areas of the world.

Recognizing the need to increase Africa's share of OPIC's attention, the AFR/ONI office arranged a contract with OPIC, through a Memorandum of Understanding (MOU), by which A.I.D. committed approximately \$622,000 to arrange and lead four investment missions to African nations in 1991 and 1992. OPIC agreed to contribute \$341,000 to the programs, principally for office space and in-kind management services. In addition, missions have been supported by A.I.D. through other contracts which have provided made-to-order briefing materials on African economic issues and a data base used by OPIC for marketing efforts.

A new A.I.D./OPIC Memorandum of Understanding (MOU) has been arranged to foster joint U.S.-African business interests in Africa in fiscal years 1993 and 1994. This agreement budgets \$1,044,000 for eight investment/business missions, including four visits to South Africa. In addition, \$1.0 million is designated for feasibility studies.

Other U.S. organizations conduct similar business missions abroad. For example, in early October, the U.S.-Philippine Business Committee arranged a visit by leading U.S. firms to meet Philippine officials. In late October, a group of officials representing seven U.S. state economic development offices traveled to Egypt, Tunisia, and Morocco under the joint sponsorship of A.I.D.'s Near East Bureau and the National Association of State Development Agencies (NASDA). In 1992 OPIC arranged with A.I.D. support, business missions to Russia and to Estonia, Latvia, and Lithuania. Within the past year, the U.S.-Angola Chamber of Commerce sponsored two business promotion missions to Angola.

Conclusions

- A. Augmented by substantial funding and inspiration from AFR/ONI, OPIC has conducted four well organized but costly investment/business missions to Africa in the past 20 months. Written and oral comments made by participating U.S. business representatives and A.I.D. field offices are generally laudatory of the joint OPIC/A.I.D. efforts in terms of quality of briefings, appropriateness of African business contacts, and thoroughness of administrative support.

- B. Selection of participating business representatives appears to have been reasonably appropriate, given the disinclination of most U.S. business executives to consider operations in Africa. By contrast, the U.S.-Philippines Business Committee had little difficulty enlisting on short notice top-flight U.S. business officials to travel to Manila and OPIC's mission to Russia was over subscribed.
- C. Results, in terms of investments committed or U.S. export sales contracted or coventures arranged, are uncertain but encouraging. *Committed* U.S. investments are valued by the consultant at greater than \$5.0 million and less than \$10.0 million.
- D. The total of potential project costs or prospective investments in Africa is estimated by one-third of the participating U.S. firms to be roughly \$400 million over a multiyear period. OPIC's experience with investment or business missions during the past 10 years suggests that about 15 percent of participating companies will eventually make investments or develop business linkages. The comparable figure for Africa may be lower. Thus, a more conservative figure for potential U.S. and foreign investment that may be generated by the four missions is roughly \$100 to \$150 million.
- E. Data given to OPIC indicate that sales of U.S. goods and services to Africa that may be generated as a result of project implementation total approximately \$60 million. Typically U.S. firms' average share of African imports range from 3 to 10 percent.
- F. The average direct unit cost to A.I.D. of each mission during the past 20 months is over \$150,000, or about \$50,000 per country visited plus the cost of OPIC's in-kind support and the value of assistance to these missions generated under other AFR/ONI contracts. Fees paid to OPIC by business participants to defray expenses have been roughly \$100,000.

By comparison, the direct cost of similar trips to non-African countries is estimated by the evaluator to be roughly \$50,000 to \$70,000 each plus the expenditures incurred by participants. For example, OPIC recently arranged a tour of two cities in Russia for U.S. firms at an overhead cost estimated by OPIC of \$50,000. The 50 participants paid \$3,700 each to OPIC, or \$185,000, to defray the cost of lodging, some meals, local transportation and related charges. A visit to the Philippines, arranged by the U.S.-Philippine Business Committee for 27 U.S. firms is estimated by the Committee to have cost about \$40,000 to \$50,000, plus travel and lodging expenses incurred by the participants. The cost of each of two missions to Angola is estimated by the manager to have averaged \$23,000.

Notably, participant demand for both the Russia and the Philippine trip was heavy. Therefore, less marketing effort was required. Also, pre-mission reconnaissance efforts were minimal for the Philippine trip.

- G. Intangible benefits of the investment/business missions have been significant. Forging partnerships between the American and African private sectors and enlightening local governments regarding their relative attractiveness to foreign investors is an important U.S. objective. Overall, business missions are viewed by A.I.D. field offices as having promoted the interests of the private sector in individual countries.

- H. A dozen prospective deals identified by participants and verified by OPIC or by field offices suggest that modest opportunities exist for some U.S. businesses to consider further face-to-face communications with firms in Africa. The challenge that confronts OPIC and A.I.D. is how to ensure that efforts are cost effective and self-sustaining.

Recommendations

- A. Continue the joint A.I.D./OPIC investment/business promotion program, while requiring OPIC to justify costs and improve the quality of followup. OPIC is qualified to conduct the agreed activities, and the administrative efficiency of future missions should continue to rise. In the absence of strong A.I.D. support, travel to Africa by U.S. businesses is likely to be significantly lessened. No other organization is as able as OPIC to arrange business missions to Africa in support of A.I.D. objectives.
- B. Average costs for eight future missions, estimated to be roughly \$125,000 or more each, should be further reduced. Many administrative and some marketing functions are now routine. Visits in the future are likely to be shorter in duration and involve fewer stopovers. Substantial elements of pre-mission reconnaissance activities can be readily arranged by A.I.D. field office personnel and embassy (FCS) officials, particularly for multiple trips to South Africa.
- C. Require further clarification of responsibilities cited in the current, proposed Memorandum of Understanding (MOU) with OPIC. These include the following: (1) Explain the methodologies and procedures for followup on business opportunities stemming from past and future business missions activities. (2) Justify in writing when and why OPIC will conduct feasibility studies and how the work will be coordinated with similar evaluations being conducted by the African Project Development Facility and the Trade Development Program. (3) Insure that A.I.D. and other interested organizations are kept regularly informed, through quarterly reports of significant actions, current problems, anticipated events and current budget status. (4) Seek agreement in advance regarding agreed standard costs and planned expenditures for all international trips and major activities. (An illustrative draft scope of work outlining these responsibilities is presented in Appendix 1.) (5) Revise and standardize the OPIC questionnaire sent periodically to business participants and utilize the services of an experienced business promotion person when responding to business concerns and pursuing followup opportunities. (Appendix 2 presents a draft questionnaire.)
- D. Anticipate the need to shift eventually the responsibility for arranging future missions to private U.S. and African groups, including concerned U.S. trade and industry associations. (A draft outline of interim measures to foster self-sustaining operations is presented in Appendix 10.)

Section I

Introduction and Background

In 1984, the Africa Private Enterprise Fund (APEF) was created to promote reforms in African nations that would enhance the capacity of the private sector to lead economic growth. Since that time, the Africa Bureau's private sector office, now part of the Office of Operations and New Initiatives (AFR/ONI), has conducted a broad array of activities designed to jump-start private sector functions.

An important, innovative feature of ONI management of resources has been to leverage the financing of other organizations in order to strengthen their participation in African programs.

One example is ONI's decision to collaborate with the Overseas Private Investment Corporation (OPIC) to mount investment business promotion missions by U.S. firms that establish links with African counterparts.

A. Events Influencing Joint A.I.D./OPIC Program

From 1986 to 1990, OPIC organized four investment/business missions to Africa. These were targeted at Guinea, Cameroon, and Zaire (1986); Nigeria (1988); Botswana, Swaziland, and Lesotho (1989); and Togo, Benin, and Cameroon (1990). The A.I.D. staff helped in the recruitment of participants for the 1989 program. By comparison, OPIC normally conducted about 7 to 10 missions a year to all geographic areas.

Lessons learned from African experiences have underscored the need to plan the missions carefully, including preparatory visits by experienced personnel; to publicize widely the events among prospective participants; and to induce African leaders to support economic policies that foster increased private investment.

In January 1991 the AFR Bureau, through ONI's predecessor office, agreed to finance OPIC's management of a concerted investment promotion program.

B. Program for 1991 and 1992

A Memorandum of Understanding (MOU) was arranged in January 1991 governing responsibilities of the parties. (The MOU, including a budget estimate, is presented in Appendix 3.) A.I.D. committed nearly \$622,000 to the program for 1991 and 1992. OPIC agreed to contribute \$341,000 for in-kind services, communications, office space, and general overhead support. Roughly half of A.I.D.'s budget support has been used to pay for the services of three employees who have full-time commitments to the program.

Principal elements of the 1991 MOU are the following:

- A.I.D. is to approve the proposed budget and work plan.

- OPIC is to obligate and disburse A.I.D. funds “at its discretion to carry out the project. . .”
- A.I.D. will periodically review the work plan and progress.
- OPIC will consult A.I.D. in the selection of countries to be visited.
- Upon A.I.D.’s request, OPIC will meet to discuss and review progress.
- On completion of each trip, OPIC will provide A.I.D. a statement of how funds were used and a summary of trip activities.

By the fall of 1992, four missions had been completed and 109 U.S. business officials had visited a dozen African nations.

C. Proposed Program for FYs 1993 and 1994

A new Memorandum of Understanding has been drafted which outlines joint A.I.D./OPIC responsibilities for fiscal years 1993 and 1994. The new MOU budgets \$1,044,000 for eight missions to Africa in the next two years, including four to South Africa.

In addition, \$1.0 million is designated for project feasibility studies to be arranged through a private U.S. contractor. Costs are to be shared equally by private firms and A.I.D./OPIC with the cost to small companies reduced to as low as 25 percent. The studies, comparable to those arranged by the A.I.D./PRE Bureau and OPIC in Eastern Europe and the Newly Independent States (NIS) of the former Soviet Union, are to be conducted for projects in which U.S. firms have a potentially substantial interest.

Similar studies are already being conducted in Africa by the African Project Development Facility (APDF), which also receives significant budget support from the AFR/ONI office. The U.S. Trade and Development Program (TDP) also arranges project assessments in Africa, particularly to evaluate large-scale public sector projects that offer the prospect of utilizing substantial quantities of U.S. goods and services. TDP management has sought support from AFR/ONI to expand its work in Africa and has expressed an interest in ensuring that OPIC’s efforts are non-competitive with its own expanding initiatives in Africa.

Another task calls on OPIC to develop an investment program that focuses on new partnerships between disadvantaged South African businesses and U.S. firms, including identification of potential partnerships and the development of new financing options. In the new program, OPIC is required to build its capacity to help develop business prospects and to provide guidance, where feasible, to facilitate investment decisions.

A copy of the MOU outlining responsibilities for the period 1993 through 1994 is presented as Appendix 4.

D. Trends in Investment Missions by LAC, PRE, and NE Bureaus Plus NASDA

Since 1991, the trade and investment office of the Latin American and Caribbean Bureau (LAC/TI) and the Private Enterprise Bureau (PRE) also have collaborated with the Overseas Private Investment Corporation to arrange similar business and investment missions. The LAC/TI office has committed about \$600,000 to enable OPIC to promote U.S. business links

in Latin America for 1992 and 1993 and to follow up investment prospects developed during investment missions. OPIC is to contribute a similar amount. Considerable effort is made under this program to follow up prospective business opportunities.

Recently OPIC officials led a group of U.S. business representatives to two cities in Russia and another group visited the three Baltic states. These programs were supported by A.I.D. funding.

In October 1992, the National Association of State Development Agencies (NASDA) arranged a visit to Egypt, Morocco, and Tunisia by a dozen U.S. officials representing principally seven U.S. states. Funding was provided by the A.I.D.'s Near East Bureau. No U.S. business officials participated. The PRE Bureau of A.I.D. also provides some financial assistance to NASDA for "seed" projects, generally costing about \$20,000 each.

F. Evaluation Methodology

This review of joint A.I.D./OPIC investment missions over the past 20 months assesses the methods employed, estimates the results, and offers recommendations.

The principal technique has been to interview approximately a dozen officials in both A.I.D. and OPIC who are knowledgeable about the program, review project documents, evaluate the nature of similar work conducted by U.S. and foreign organizations, compile the solicited comments of A.I.D. missions, and interview approximately a dozen U.S. business representatives who participated in one or more overseas mission trips. The names of persons interviewed are listed in Appendix 5.

A questionnaire was sent to 17 A.I.D. missions. As of early November 1992, replies had been received from eight offices. The gist of opinions expressed are included where relevant. Responses are shown in Appendix 7.

Section II

Evaluation of Principal Activities

A. Illustrative Mission Efforts

In the 20 months that A.I.D. has jointly financed and arranged investment or business missions to Africa, four separate programs have been arranged to facilitate visits to a dozen nations by 109 U.S. private-sector representatives. A list of U.S. participants in each mission is presented in Appendix 6. Principal activities developed, and project cost estimates where available, are as follows:

West Africa

On November 9 to 22, 1991, 37 U.S. firms participated in the mission to Ghana, Côte d'Ivoire, The Gambia, and Senegal lasting 12 days. Senior officials from OPIC (Vice President Kevin R. Callwood) and from AFR/ONI (Warren Weinstein) participated. Featured also was an investment conference by the African Business Roundtable, a group of leading African business leaders.

Prospective business activities, cited by U.S. business participants, OPIC officials or A.I.D. field offices, include the following:

- Investment of \$1.0 million by one firm in a gold mine in Ghana and the prospect of two other companies being awarded gold concessions with total project value of \$25 million.
- Possible total investment of \$3.0 million by Meridian Bank in a Ghanaian commercial bank and a merchant financial services company.
- Prospect of a U.S. firm buying a Coca Cola bottling franchise in Ghana.
- Offshore oil exploration possibilities being pursued by UNOCAL, in Senegal Ltd., for a project valued at \$21.0 million.
- Bidding by COMSAT on a communications system in Ghana for the World Bank, valued at \$150,000.
- Possible investment by F.C. Schaffer & Associates, an engineering and project management firm in Ghana, for a planned sugar refining operation, including the production of ethanol to blend with petroleum. No project cost estimate is available. This project, if developed, will require substantial investments.
- Possible award of a turnkey project to upgrade and privatize the telephone system in Côte d'Ivoire, being negotiated by COMSAT Corporation, with a value of \$60.0 million, including prospective substantial sales of equipment and services.

- Possible investment in an oilseeds business, valued at \$20,000 to \$200,000, in Senegal by Agridyne Technologies.
- Letter of intent offered by Interkiln Corporation of Houston to participate in a brick and tile factory in Accra, Ghana, with a project value of \$22.0 million.
- Announcement of plans by Job American Management Export Import firm to establish a small office in The Gambia to develop elements of a food distribution operations in The Gambia and possibly other African nations.
- Discussions by UNOCAL for offshore oil exploration with The Gambia.
- Planned agreement by Africa Agricultural Systems with a firm in The Gambia for a fishing project, reported by the local partner to have "not started" as of October 1992.
- Negotiation by Diplomatic Security for design and construction of a building in Abidjan, Côte d'Ivoire, based partially on pre-mission communications between the parties.

East Africa

During May 10 to 22, 1992, A.I.D. and OPIC sponsored an investment/business mission to Kenya, Uganda, and Tanzania. A total of 32 U.S. firms participated; of these, 17 were small ventures, some minority owned. Ten firms were repeat participants. Nine U.S. telecommunications firms were represented along with seven agrobusiness operations; four firms representing tourism development; three in the construction and engineering sector; and firms featuring mining, financial services, and computer technology specialties.

Illustrative activities generated during the course of this and related mission efforts include the following:

- Prospective investment by Mansons Ltd., a client of CMI Consultants, in a Sheraton-managed hotel in Dar es Salaam valued at \$46.0 million plus a tourism project in Zanzibar. OPIC has issued a \$15 million loan guarantee. Mansons has invested with Sheraton \$1.5 million in equity.
- Possible participation by the Diplomatic Security (DSI) firm in a \$20.0 million hotel, Oyster Bay, in Tanzania.
- Planned investment by Arkel International in a rose flower project in Kenya.
- Planned participation in telecommunications networks by GTE, Spacenet, valued at \$40.0 million, with African imports estimated at \$15.0 million, and possible sales of similar equipment being investigated by the Mansa Tel Global, Inc.
- Assistance by Jimsco Company in a planned cable system from mainland Tanzania to Pemba, possible sales of equipment for a bottling plant, and support for an air taxi operation.

- Prospective business participation by Jimisco Trading Company in projects in Uganda including housing plus rehabilitation of a glass manufacturing and a cotton gin factory.
- Possible participation in ethanol production in Uganda by Arkel International, depending on results of a feasibility study; possible participation in a sugar/ethanol project, by F.C. Schaffer & Associates.
- Possible investment in a hotel in Uganda and prospective exports of perishable goods to the Middle East, by Berkeley Partners.
- Possible seed genetics project by Cargill in East Africa.
- Prospective participation in building projects in Uganda by Diplomatic Securities, Inc.
- Possible sales of telecommunications equipment to Uganda by Mansa Tel Global.
- Planned investment of \$200,000 to \$400,000 by Gordon Investments International to arrange photographic safaris in East Africa.
- Prospective investment in Tanzania by Tarpan Transmission Company to build a pipeline.

Southern Africa, Including Zambia

In early 1992, approximately 20 business representatives visited Botswana, Zimbabwe, and Namibia and in September 1992, 18 U.S. firms sent officials to investigate business prospects in Zambia.

The visit to Zambia was made feasible when President Chiluba visited Washington in February 1992, and reiterated the commitment to reforms that the nation is taking to embrace a relatively free market economy. Most promotional efforts were inaugurated in June 1992. Included was a premission reconnaissance by OPIC and A.I.D. staff members. Several innovative efforts to recruit prospective participants included, in addition to targeted mailings to firms on OPIC industry lists, a series of meetings and seminars held in conjunction with Zambian officials.

One-third of the 18 firms involved were large, Fortune-500 types, and two-thirds were small, many of them minority owned. One-third of participants had been on previous missions. Sectors represented were telecommunications, tourism, construction, agriculture, petroleum, and financial services.

Illustrative prospective business ventures stemming from both Southern Africa trips include the following:

- Possible establishment of locally owned computer network/integration company in Botswana by Oracle Corporation, with possible investment of \$100,000 to \$500,000 plus consideration of participation in similar projects in Zimbabwe, valued at \$250,000 to \$750,000.

- Possible investment in financial services by Meridian Bank in Namibia, valued at \$500,000.
- Consideration of investment in a Windhoek hotel by the Sheraton group, valued at \$1.0 million, plus possible collaboration in a game lodge.
- Prospective participation in a merchant bank project by Pryor McClendon, Counts & Co. in Zimbabwe, valued at \$300,000.
- Possible purchase of government-owned lube oil operation in Zambia, by Mobil Oil, valued at \$5.0 million.
- Possible participation by a New York banker in a Zambian game park project.
- Unspecified business venture, by Dow Chemical, cited to OPIC Vice President in confidence.
- Planned investment of \$2.0 million over 5 years, in Zambian state-run agricultural seed growing and produce marketing, by Cargill.
- Investment of \$1.5 million by Cargill in a maize treatment and export facility in Zimbabwe.
- Possible investment by Interkiln Corporation in a brick making facility in Botswana.
- Prospective joint venture by Pioneer Seeds with the Ministry of Agriculture, in Botswana.
- Discussion between Motorola and Zambian officials about a high tech telephone system.

13. Administration, Procedures, and Marketing Strategy

OPIC's administration of the missions is professional and effective. The staff members engaged by OPIC to guide activities have established regular, plausible procedures for mounting missions. Documentation, including public relations brochures, and briefing materials prepared by contractors, are well written and attractively printed. The materials examined are professional looking and compare favorably with similar forms and systems used in other OPIC offices and with material prepared by the U.S.-Philippines Business Council for its latest business mission. A sample of relevant documents is presented in Appendix 8.

The OPIC staff has been conducting business missions abroad for over 10 years, and the organization has a directory of several thousand companies that may be readily contracted. The team responsible for African missions also contacts regularly a range of U.S. Government institutions and private business associations when seeking suitable business candidates for business missions. These include industry associations, U.S. Chamber of Commerce, Department of Commerce, Trade Development Program, multilateral and bilateral banking

institutions, and other groups that offer the prospects of multiplying the effectiveness of OPIC's direct marketing efforts.

C. Benefits Accruing to OPIC's Financial Programs

OPIC has a strong stake in assuring the success of these missions, by virtue of its interest in providing to businesses "for a fee" loan guarantees, political risk insurance, advisory services (including links with banking services such as the ExIm Bank and private institutions), and direct loans. Following the stopover of an investment mission to Kenya, for example, while no immediate investment deals were announced, "over half of OPIC finance leads were generated from Kenya from the investment mission," according to a trip report by OPIC, dated June 30, 1992. In Tanzania, a reported mission highlight was the signing of a \$15 million OPIC loan commitment to Tanruss Ltd. for the Sheraton hotel project. Thus, A.I.D./OPIC collaboration in support of U.S./African business exchanges provides benefits for all participants.

D. Costs

Missions costs may be measured in different ways. Under the initial Memorandum of Understanding (MOU) signed by A.I.D. and OPIC in January 1991, A.I.D. pledged almost \$622,000 to promote over a 20-month period the project objectives, principally investment tours. OPIC's share, principally to defray costs of office space, in-kind participation, communications, and general overhead expenses was calculated in 1991 to be just over \$341,000. Charges attributable to four missions are approximately \$600,000 of A.I.D. resources, plus OPIC resources and the assets contributed to the program by A.I.D. under other contracts, including preparation of briefing materials and creation of a database used to contact prospective mission participants.

Average unit costs to A.I.D. per mission are roughly \$150,000 plus, or about \$50,000 for each of a dozen countries visited.

Direct costs to the 109 business participants are estimated to be roughly \$500,000 to \$600,000 for airfare charges and related charges. Fees of about \$100,000 were paid by the participants, at the rate of \$500 to \$2,000 per trip, to reimburse OPIC for the costs of African lodging, food, and other related functions best arranged on a mass basis.

The budget for eight planned investment missions for 1993 and 1994, including four to South Africa, is \$1,044,000, or roughly \$125,000 plus per mission. No estimate is provided by OPIC for its in-kind or overhead contribution to the 1993-94 program.

By comparison, the overhead cost to OPIC to arrange similar business development trips to other (non-sub-Saharan African) countries, is estimated by an OPIC official to average \$50,000 to \$70,000, plus the usual charges to participants for costs of transportation, hotels, and related expenses. For a recent ten-day trip to Moscow and St. Petersburg for 50 U.S. business persons, OPIC charged each traveler \$3,700 for local hotel, food, and transportation expenditures. OPIC charged 20 business representatives \$3,000 each to defray the cost of local charges during a nine-day visit to Estonia, Latvia, and Lithuania. In each case OPIC had

no difficulty attracting U.S. firms to participate and the time and effort spent on marketing and conducting pre-mission visits was markedly less than that required for African missions.

Table I, on page 11, presents a comparison of estimated recent mission costs for several organizations. Circumstances and objectives vary greatly among the missions cited. Thus, care must be exercised when making numerical comparisons.

E. Benefits

Probable committed U.S. investments, attributable in some significant fashion to the four missions, as of the fall of 1992, are estimated by the evaluator, in consultation with OPIC, to range between \$5.0 million to \$10.0 million.

Total potential investments or project costs in Africa is estimated by participating U.S. firms to be on the order of \$400 million, over a multiyear period. This figure is based on written and oral estimates conveyed to OPIC in the period August to October 1992. About one-third of the participating firms have indicated that they have identified prospects of business arrangements, including investments. OPIC's experience with other missions in the past decade indicates that about 15 percent of participating firms will eventually make investments or develop some business arrangements. The figure for Africa may be lower, compared to the average for OPIC tours to other areas where the business climate generally is significantly more favorable. Thus, a more conservative figure for potential total U.S. and African participation in projects discussed during or after the missions is on the order of \$100 to \$150 million, by both public and private entities. Direct investments by U.S. businesses, where arranged, are likely to be a modest proportion of individual project capitalization.

Data given by U.S. firms indicate that prospective sales to Africa of U.S. goods and services for project implementation total roughly \$60 million. Generally, U.S. firms' share of all African imports range from 3 to 10 percent for individual nations. If particular turnkey projects are developed with U.S. participation, the share of products from U.S. sources could be higher than the past average.

F. Educational Value

Intangible benefits of the business promotion trips are an important factor in the program evaluation. Forging partnerships between U.S. and African private sectors and fostering an understanding of non-local businesses are significant objectives. The missions are generally viewed by A.I.D. field offices as having provided an effective platform to promote the exchange of views between business representatives and government officials on how to maximize business opportunities. Potential U.S. investors and traders also have used the forum to sensitize and raise specific ideas and complaints with African officials regarding internationally accepted business policies and procedures.

"Reverse" business development programs also are being conducted through OPIC, utilizing in some instances the fee payments by business participants. Activities include: organization of seminars and discussions between U.S. business representatives and African leaders, both in Africa and in the United States; educational programs arranged by the African Business

Roundtable, during which businesses exchange ideas; and participation of selected African business and governmental leaders in business or policy evaluation programs arranged by U.S. organizations.

**Table I. Comparative Costs of Illustrative Investment Missions
(in dollars)**

Organization Function	A.I.D./OPIC to Africa 1991-1992	A.I.D./OPIC to Africa 1993-1994	A.I.D./OPIC to Russia 1992	U.S.-Philippine to Manila 1992	NASDA to North Africa 1992
Number of Missions	Four	Eight	One	One	One
Number of Stopovers	Twelve	Fifteen	Two	One	Three
No. of Participants	109	250	50	27	10
A.I.D. Contribution	\$622,000	1,044,000	—	—	\$25,000
OPIC Contribution (in kind and overhead)	\$341,000	350,000 (est)	\$50,000 (est)	—	—
Other Contribution	—	—	—	\$50,000 (private)	\$25,000 (NASDA)
Subtotal	\$963,000	\$1,394,000	\$50,000	\$50,000	\$50,000
Fees by Participants (est)	\$100,000	\$300,000	\$185,000	\$8,000	\$5,000
Other A.I.D. Support (3)	\$200,000	\$200,000	?	Nil	?
Airfare Paid by Traveler	Yes	Yes	Yes	Yes	No

Note 1. During the past year, the U.S.-Angolan Chamber of Commerce conducted two business missions to Angola for a total of 30 U.S. participants. The average cost of each visit, funded by the contributions of about 50 U.S. private companies, is estimated by the organization to be \$23,000, plus the usual charges to each traveler for airfare and local direct lodging expenses. Pre-mission reconnaissance was conducted by one chamber official during the week preceding the arrival of business participants in Angola.

Note 2. Objectives and circumstances vary greatly among the missions listed and care must be exercised in making numerical comparisons.

Note 3. The cost of A.I.D.-funded indirect support to investment missions includes the preparation of multiple briefing materials for businesses on target countries, compilation of a data base and software plus travel and other support to business missions provided by A.I.D. and contract-personnel. The total cost of task orders relating to these services is roughly \$400,000, over the past two years. However, the activities and outputs have uses beyond that of supporting missions. Therefore, a value of \$200,000 is ascribed to investment mission support.

Section III

Principal Conclusions

1. The joint A.I.D./OPIC sponsorship of investment/business missions to Africa is an administratively effective, albeit costly, means of facilitating face-to-face communications between U.S. and African business.
2. Without the financial support of A.I.D., the technical and managerial contributions of OPIC, and the strong collaboration of A.I.D. field mission and Embassy personnel, efforts to foster U.S. investment and trade in Africa in the short term would be lessened.
3. No other organization, public or private, could, in the short term, provide comparable leadership. The option of utilizing A.I.D. funds to promote U.S.-African business contacts via another organization, such as the U.S. Chamber of Commerce, a private contractor, or the National Association of State Development Agencies (NASDA), while offering some advantages, does not match in the short run the managerial advantages and joint benefit of the existing A.I.D./OPIC relationship.
4. A.I.D.'s planned contributions to OPIC to arrange eight additional missions in 1993 and 1994 reflects somewhat lower per-mission costs and includes more followup work. Future trips to Africa should cost markedly less on average than in the past, notwithstanding that some target countries will not have previously hosted a U.S. business mission. OPIC has in place an experienced staff of three full-time employees devoted to African mission affairs. The group's administrative capacity, public relations system, and network of business contacts appears to be efficient and no new significant or costly changes need to be introduced to manage future missions. When this program was inaugurated in 1991, one-time startup costs presumably were incurred. In preparation for earlier trips, two or three officials conducted extensive pre-mission reconnaissance to each target country in order to ensure that on-site arrangements were satisfactory. Mission preparation and business marketing techniques are now well established. In general, future preparatory efforts should be conducted with fewer trips and fewer person hours. A.I.D. field offices and embassy officials are more experienced in arranging business promotion ventures and should play a larger role in conducting future investment missions. Savings made on mission efforts may be shifted, where feasible, to improve followup efforts.
5. The selection of U.S. businesses on past missions appears to have been generally sound and pragmatic. OPIC's system of "due diligence" checks regarding participants is basic and does not attempt to provide foolproof analysis. As African nations continue to adopt market-driven programs, more U.S. firms will exhibit interests in business opportunities in Africa and the OPIC staff may be able to establish more focused standards in selecting participants.

The mix of categories of business appears to be appropriate, given the difficulties inherent in attracting investors. Officials from large and medium-sized U.S. firms constitute the

majority of the participants while representatives from small companies, including minority-owned operations, constitute a significant proportion.

6. Comments made by U.S. business officials both orally and in writing generally commend the missions in terms of briefings, usefulness of African business contacts, and efficiency of A.I.D., OPIC, and embassy support. Comments provided by several A.I.D. field offices broadly commend the usefulness of the business missions—one exception being critical comments made by the A.I.D. field office in Senegal. That report noted that U.S. business participants were interested in sales, not investments, and the pre-mission reconnaissance had been conducted too far in advance because U.S. personnel in Senegal had been reassigned before the group arrived.

Documentation and briefing materials prepared by OPIC, LABAT-ANDERSON Incorporated, and A.I.D. are well prepared and relevant. These materials compare favorably with similar documentation prepared by the U.S.-Philippine Business Committee, for a group of U.S. business officials that traveled to Manila in October 1992.

7. Coordination of work by OPIC personnel with the AKF/ONI staff is cordial and administratively adequate. Suggestions are given in Recommendation 4 and Appendix 1.
8. The program impact over the past 20 months appears to have been positive. Total potential investments, sometimes characterized as potential project costs, are likely to be \$100 to \$150 million. Committed U.S. investments, as of October 1992, appear to the evaluator to be greater than \$5.0 million and less than \$10.0 million. Data provided to OPIC suggest that sales of U.S. goods and services to Africa for the target projects may total roughly \$60 million in the next few years. These figures, conservatively calculated, suggest that overall the missions will prove to have been reasonably productive.
9. The indirect advantages of investment/business missions appear to be substantial. Establishing partnerships between U.S. and African businesses is an important U.S. objective, and arranging successful business missions is an element of A.I.D.'s effort to boost Africa's newly emerging capacity to rely principally on the private sector to lead economic growth.
10. Business development opportunities, initially identified by about one-third of the 109 mission participants, indicate that opportunities do exist for U.S. businesses to profit from face-to-face contacts with firms in Africa. The challenge that faces both A.I.D. and OPIC is to ensure that efforts to encourage mutually profitable investments and sound business relationships are cost effective, provide effective followup, and eventually will be privately financed and self-sustaining.
11. Followup by OPIC after past missions has been sporadic and yet moderately effective, thanks to the experience of the A.I.D. and OPIC personnel involved. About 15 to 20 U.S. business officials have raised questions with OPIC regarding business opportunities or investment impediments. Staff members regularly communicate by letter to business participants after each mission, seeking information on results and problems. Few companies respond, unless contacted personally. In August and September 1992, OPIC

sent all firms a followup questionnaire. About 40 firms eventually responded. The results were evaluated by the consultant, in close collaboration with OPIC, and are incorporated in this evaluation. Staff members continue to communicate directly with about a dozen U.S. businesses that have expressed an interest in such an exchange, and these firms are being offered appropriate advice and support. Nonetheless, no structured followup program is followed and firms that do not take the initiative to contact OPIC or A.I.D. may not be contacted except by a routine, circular questionnaire. A proposed new questionnaire is presented in Appendix 2.

12. The prospect of creating a privately financed, self-sustaining capacity to mount investment/business missions to Africa, is not good in the short run. Some models exist but are not relevant to conditions in Africa. For example, a dozen offices within the U.S. Chamber of Commerce maintain links between U.S. business and foreign counterparts in support of business promotions in individual countries. These include some form of relationships between U.S. firms and representatives in The Philippines, India, Turkey, Brazil, Canada, Egypt, Nigeria, etc. Generally, the councils are privately funded, principally with contributions by U.S. companies, but in some cases, government subsidies are provided. US industry and trade associations currently have little interest in linking with African counterparts in the absence of better business opportunities or subsidies. One new organization, the U.S.-Angolan Chamber of Commerce, has arranged two business missions to Angola, but the Chamber is not designed to play a major role in fostering broad U.S.-African business affiliations. In mid-1992, a new private organization was established in New York, the U.S.-African Chamber of Commerce, dedicated to promoting joint business interests.
13. U.S. States separately and collectively often arrange overseas business/investment missions. In October 1992, the National Association of State Department Agencies (NASDA) organized a promotion visit to three North African nations—Egypt, Tunisia, and Morocco—by U.S. officials representing seven U.S. States, plus A.I.D. The States are Colorado, Florida, Iowa, Maryland, North Dakota, Rhode Island, and Virginia. Funded principally by the Near East Bureau, the trip was designed to expand the capacity of the State's economic development offices to promote U.S.-foreign business interests. No U.S. business representatives participated.

NASDA has expressed an interest in obtaining financial support from AFR/ONI to promote U.S.-African business interests through the States. Until now, AFR/ONI has not acceded to the request. Advantages and disadvantages of having A.I.D. engage NASDA personnel to manage African trips include the following:

Pros

- The States' economic development offices are likely to have good local contacts with U.S. businesses.
- These organizations have political clout.
- Over 40 States have a total of 160 offices overseas.

Cons

- None of these offices is in sub-Saharan Africa (one in Lagos closed).
- The organization has limited experience arranging business visits to Africa.
- OPIC customarily contacts NASDA and some interested State agencies when planning business missions and solicits collaboration. This effort to network and multiply U.S. contacts appears to permit diverse interests to be adequately considered.

Recommendations

1. Augmented by substantial funding from A.I.D. and guidance from AFR/ONI, the OPIC organization is effectively utilizing its considerable capacity to support U.S.-African business transactions, and the policy interests of AFR/ONI would appear to be well served by contracting with OPIC to arrange carefully crafted business missions and allied activities in FYs 1993 and 1994. No other organization can match in the short term OPIC's capacity and demonstrated ability to arrange missions to Africa.
2. The Memorandum of Understanding (MOU), designed to serve as a guide for shared responsibility and budgeting obligations in FY 1993 and FY 1994, should be examined to consider the following:
 - (a) Anticipated costs of future business promotions, principally via eight missions, is calculated to be \$1,044,000 or prospectively over \$125,000 per mission. This is moderately less, per mission, than previous costs. In the past, OPIC had to defray one-time startup costs, personnel were being trained, uncertainties were more numerous, it was hard to induce responsible U.S. firms to travel to Africa, and A.I.D. field missions and Embassy personnel had little experience managing the array of transactions surrounding an ambitious international business promotion program. Conditions under which future missions will operate are likely to be substantially easier and unit costs, particularly travel and personnel costs, should be further examined and controlled where appropriate.
 - (b) The draft MOU does not offer a description regarding the means that OPIC is to utilize to perform specific new tasks. As cited in paragraph IV of the MOU, these include requirements to (1) "develop and implement an ongoing program which will focus on developing partnerships between disadvantaged South Africans, in the private sector, and the American business community. . ." and (2) "institute a comprehensive follow-up program for mission participants. . ."

OPIC officials have been generating various procedures and policies for mission followup during the past decade. Nonetheless, these efforts are characterized by one OPIC official as having been accorded in OPIC a "low priority" and the organization must clarify how this task will be accomplished. A draft proposed scope of work for followup actions is shown in Appendix 1.

3. In the past, OPIC has sent business participants different types of questionnaires. These documents are not well formulated to induce businesses to convey to OPIC useful, correct information that might facilitate program assessment or followup. A draft revised questionnaire is shown in Appendix 2.
4. Reporting by OPIC to A.I.D. should be made more specific and periodic. General communications between AFR/ONI and OPIC are cordial, informal and generally satisfactory. The four past trip reports conveyed to A.I.D. are adequate. Nonetheless, a need exists to have OPIC staff communicate with A.I.D. in a prescribed form on a quarterly basis. Periodic reporting should follow the practice used for other contracts. Each report should present (a) a description of current events, (b) future plans, (c) followup measures, (d) a statement of all expenditures, delineated by function, and (e) evidence of cost-effectiveness of all major elements of the program. An addendum to the current MOU should reflect these requirements.
5. A number of activities may be supported to achieve the goal of self-sustaining financing and greater private sponsorship of investment missions. AFR/ONI should, for example, continue its efforts to establish viable African Chambers of Commerce and business associations that may be linked with U.S. counterpart organizations. A model for a bilateral relationship may be the U.S.-Philippine Business Committee, which is privately funded principally by major U.S. corporations and the newly formed U.S.-Angolan Chamber of Commerce. A possible model for a multilateral relationship is the U.S.-Asian Business Council. Within a few years, a consortium of private associations representing U.S. and African business groups should be developed to take the lead in arranging and managing business exchanges in both directions, to and from Africa, with reduced A.I.D. funding. (An outline of interim measures to accomplish this objective is presented in Appendix 10.)

Appendices

- Appendix 1** Draft Scope of Work to Clarify Responsibilities in A.I.D./OPIC Memorandum of Understanding (MOU) for work in 1993 and 1994
- Appendix 2** Draft Revised Questionnaire for Follow-up with U.S. Firms
- Appendix 3** MOU for Period 1991–1992
- Appendix 4** Draft MOU for Period 1993–1994
- Appendix 5** Persons Contacted
- Appendix 6** List of U.S. Business Participants
- Appendix 7** Responses of A.I.D. Missions to Questionnaire
- Appendix 8** Illustrative Forms and Data Used by OPIC
- Appendix 9** U.S.-Philippines Business Committee; Briefing Book Table of Contents and List of Participants
- Appendix 10** Bulletin from U.S.-Africa Chamber of Commerce (N.Y.)
- Appendix 11** Draft Outline of Measures to Foster Self-Sustaining Operation
- Appendix 12** Draft Agenda for Workshop on African Trade and Investment Promotion

Appendix 1

Proposed Addendum to Draft Memorandum of Understanding (MOU) Concerning A.I.D./OPIC Collaboration on Future Investment/Business Missions

Regarding the work to be performed as followup on behalf of U.S. business mission participants as cited in Section III, paragraph four, page two of Memorandum of Understanding (MOU), the following may be incorporated as an addendum:

OPIC shall perform, in pursuit of its followup responsibilities, the following:

- Contact each participant firm, after each mission, via a written questionnaire, based on the prototype document shown in Appendix 2.
- Have an experienced business development official contact two to three times a year by telephone, facsimile, or face-to-face meetings each participant expressing an interest in such communications.
- Convey to A.I.D. every six-month period the results of followup communications in the form of a structured report that shall include the following:
 - Brief statement of all pending or potential business activities, identified by name of both U.S. and African participants, where pertinent.
 - Brief statement of significant actions sought by participants and brief description of responsive actions by OPIC.
 - Outline of actions that should be considered by A.I.D. or other U.S. Government agencies.
 - Impact of government agencies on project including ExIm Bank, African Project Development Facility, Trade Development Program, etc.
 - Estimate of possible followup events during the next six months and prospective role of A.I.D. and other U.S. Government entities.
 - Tabulated estimates of aggregate investment/sales/commitments to date by U.S./African firms, linked to business missions. This would include:
 - Total potential investments during next five years by each party.
 - Total project cost, by each major category.
 - Estimated project imports and likely share by U.S. exporters of major products and services.
 - Impact on jobs, U.S. and African, where available and relevant.

Appendix 2

Proposed OPIC Followup Questionnaire

Company Name _____

Mission Participant's Name and Corporate Designation _____

Principal Corporate Official
Concerned with African Business _____

(1) What is the nature of your firm's business interests in Africa?

(2) What is current status of business development stemming from the investment/business promotion mission arranged via joint A.I.D./OPIC sponsorship.

(3) Do you expect to make an investment in any of the countries visited:
Yes __ No __ Maybe __

If yes or maybe, please describe briefly the projects, note the country and if possible cite the collaborating organization.

(4) For each potential project or investment, note (a) how OPIC may be able to assist (b) how other U.S. Government agency may collaborate (c) what other follow up is required that OPIC may be able to support.

- (5) For each potential activity, estimate the total project cost by major category, such as equipment, land, services and ownership.

Estimate your investment, cite the likely amount and indicate the source of other investments including U.S. companies, foreign firms and banks.

- (6) Do you anticipate the need for OPIC's financial support?

No Yes, in the form of:

- Investment Advisory Services (business plan development, JV partner searches, etc.)
- Financial Proforma Structuring
- Loan Guaranty (\$2-50 million, small and large businesses) or Direct Loan (\$1-6 million, small business only)
- Insurance Against Political Risks

- (7) Do you wish to have an OPIC representative contact you?

No Now Later When _____?

- (8) Indicate if you have participated in previous missions and if so when, where and what were the results. What is your evaluation of the management of such missions?
-
-

(9) Please indicate which of the future investment missions, if any, are of interest to you:

___ (planned OPIC missions to countries X, Y, Z to be listed)

(10) Additional comments, problems or needs: (Use an additional sheet, if necessary)

(11) Please verify that our information is correct and provide the appropriate contact information for the person(s) responsible for Africa followup efforts.

Name _____

Title _____

Company _____

Address _____

Phone _____

Fax _____

THANK YOU FOR YOUR COOPERATION

PLEASE RETURN BY MAIL OR FAX TO:

NAME

Title

Overseas Private Investment Corporation

1615 M Street, N.W.

Washington D.C. 20527

Phone (202) 457-7128

Fax (202) 833-3375

MEMORANDUM OF UNDERSTANDING

BETWEEN

THE AGENCY FOR INTERNATIONAL DEVELOPMENT

AND

THE OVERSEAS PRIVATE INVESTMENT CORPORATION

SUBJECT: Allocation of Funds for OPIC/A.I.D. Investment Missions Project

I. PURPOSE

The purpose of this Memorandum of Understanding (the "MOU") between the Overseas Private Investment Corporation ("OPIC") and the Agency for International Development ("A.I.D.") is to define the procedures under which A.I.D. shall transfer funds to OPIC for the purpose of promoting foreign investment in Africa through investment missions to Africa ("the Project").

II. FUNDING

The total contribution of A.I.D. to the Project will be \$621,629, subject to the availability of funds. Pursuant to section 632 (a) of the Foreign Assistance Act of 1961, as amended, A.I.D. shall allocate funds ("the A.I.D. funds") to OPIC for the accomplishment of the technical assistance as outlined in Attachment A, "Activity Description". The first transfer of funds shall be in the amount of \$299,500, from amounts appropriated to A.I.D. in fiscal year 1991. The second anticipated transfer of funds shall be in the amount of \$322,129, from amounts appropriated to A.I.D. in fiscal year 1992, to the extent that such funds are available for purposes of the Project. Upon allocation to OPIC, the A.I.D. funds shall be available for obligation and expenditure by OPIC in accordance with sections 231-240A of the Foreign Assistance Act of 1961, as amended, and the conditions set forth in this MOU.

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III. IMPLEMENTATION

A. A.I.D. hereby confirms that it approves of the Project budget as furnished by OPIC and of the related work plan. (Copies Attached)

B. OPIC shall obligate and disburse the A.I.D. funds at its discretion to carry out the Project pursuant to such budget and work plan. A.I.D. shall notify OPIC no later than September 13, 1991 of its current budgetary situation for fiscal year 1992 and shall consult frequently with OPIC regarding such situation until the second transfer of funds is made.

C. A.I.D. will periodically review the work plan and progress toward achieving objectives of the Mission.

D. OPIC agrees to consult with A.I.D. in the selection of countries to be included in the Project.

E. Upon A.I.D.'s request, OPIC representatives will meet with A.I.D. to discuss and review progress toward Missions in the Project.

F. OPIC agrees to provide A.I.D. upon completion of each Mission with a statement of how the A.I.D. funds were used and with an overall summary of the activities of each Mission.

IV. ACCOUNTING AND RECORDKEEPING

A. OPIC shall receive each allocation of the A.I.D. funds as a Treasury Department nonexpenditure transfer authorization (SF-1151) and shall assure that each such allocation of the A.I.D. funds is not commingled with any other funds. OPIC shall keep full and complete records and accounts with respect to the A.I.D. funds and such records and accounts shall be made available to A.I.D. upon request.

B. If there is any possibility that any of the A.I.D. funds appropriated in fiscal year 1991 or fiscal year 1992 cannot be obligated by September 30 of such year, OPIC is requested to so advise A.I.D. no later than August 1 of such year for any necessary reapportionment action. None of the A.I.D. funds may be obligated after September 30 of the year in which such funds were appropriated, except pursuant to a valid apportionment or reapportionment for such purpose. OPIC is also requested to notify A.I.D. in writing upon the total obligation of each allocation of the A.I.D. funds.

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C. For each allocation of the A.I.D. funds, OPIC shall provide monthly Report on Budget Execution (SF-133) to each of the following A.I.D. offices: (a) Office of Financial Management; (b) the Africa Bureau Office of Development Planning; and (c) the Africa Bureau Associate Assistant Administrator for Market Development and Investment.

V. PERIOD OF EFFECTIVENESS

This MOU shall be effective upon signature and shall continue in effect until OPIC provides the Report on Budget Execution with respect to the second allocation of funds, as described above.

Edward L. Saiers
Edward L. Saiers
Acting Assistant Administrator
for Africa
Agency for International
Development

Date 1/10/91

Mildred O. Callear
for Mildred O. Callear
Vice President and Treasurer
Overseas Private Investment
Corporation

Date 1.11.91

Clearances:

AFR/MDI, WWeinstein [Signature]
AFR/MDI, DDiaz [Signature]
GC/AFR, KODonnell [Signature]
GC/AFR, GBisson (draft)
AFR/DP, GCauvin [Signature]
PFM/FM/FC, JHevesy (draft)

OPIC/GC, HLHills [Signature]
OPIC/CA, KRCallwood [Signature]

OPIC/A.I.D. INVESTMENT MISSIONS TO AFRICA
 Budget Proposal
 Fiscal Years 1991 and 1992

ITEM	FY 1991	FY 1992	TOTAL
I. <u>Personnel</u>	204,948	133,342	<u>338,290</u>
II. <u>Administrative Costs</u>	79,241	102,231	<u>181,472</u>
III. <u>Reconnaissance, Promotion and Recruitment</u>	80,700	64,300	<u>145,000</u>
IV. <u>Mission Travel and Per Diem</u>	71,100	113,400	<u>184,500</u>
V. <u>Participant In-Country Costs</u>	102,850	169,701	<u>272,551</u>
	*****	*****	*****
TOTAL BUDGET	538,839	582,974	<u>1,121,813</u>
VI. <u>Income From Mission Participants</u>	(60,000)	(99,000)	<u>(159,000)</u>
	*****	*****	*****
<u>Amount OPIC Proposes to Fund</u>	(179,339)	(161,845)	<u>(341,184)</u>
	*****	*****	*****
<u>Amount to be Funded by A.I.D.</u>	<u>299,500</u>	<u>322,129</u>	<u>621,629</u>

ATTACHMENT A

OPIC/A.I.D. MEMORANDUM OF UNDERSTANDING

ACTIVITY DESCRIPTION

I. BACKGROUND

OPIC conducts seven to twelve investment missions per year to developing countries where excellent investment opportunities exist for U.S. investors. Historically, fifteen percent of companies that participate on OPIC missions actually make an investment in the country. This average has been higher recently due to a more focused recruitment effort designed to match targeted investors with specific investment opportunities.

OPIC organizes one investment mission to a sub-Saharan African country each year when resources permit. Since 1986, OPIC has led missions to Guinea, Cameroon and Zaire (1986), Nigeria (1988), Swaziland, Botswana and Lesotho (1989), and Togo, Benin and Cameroon (1990). These missions, while successful, have proven difficult to organize due to lack of interest in investing in Africa on the part of the U.S. private sector. OPIC missions are designed to be self-funding with participants paying a pro-rata share of the direct costs associated with organizing a mission. Africa missions have never been organized on a self-funding basis, and have always required a larger portion of OPIC resources than missions to other regions.

Interagency cooperation on investment promotion activities in Africa began with A.I.D. assistance in the recruitment of mission participants for the 1989 investment mission to Botswana, Swaziland, Lesotho, a mission which has resulted in five investment projects in these countries.

In early 1990, OPIC and A.I.D. began discussions that led to closer cooperation through official cosponsorship of the investment mission to West Africa. This mission was tied closely to another joint project, the Export Processing Zone (EPZ) feasibility study in Africa. Joint mission recruitment focused on investment opportunities emanating from the establishment of the free zones and the enactment of EPZ legislation in Togo and Cameroon.

A.I.D. assumed approximately 54 percent of the cost of implementing the mission through a funding transfer to OPIC. Preliminary follow-up from the mission indicates that between \$35 and \$40 million in investment could result. The initial success of the mission strengthened OPIC/A.I.D. cooperation and led to discussions as to how best to leverage each others' strengths to affect increased U.S. private sector investment in sub-Saharan Africa.

In promoting investment in Africa, each agency brings to bear a different expertise and set of resources. OPIC has excellent relations and extensive contacts with the U.S. private sector, a track record of successful finance and investment insurance projects and a business development staff with experience in investment promotion activities such as investment missions.

A.I.D. complements this with extensive experience in Africa, including a physical presence in many countries, a demonstrated expertise in international investment-related areas of the Market Development and Investment (AFR/MDI) staff and, through independent contracting, the ability to commit resources to mission recruitment, implementation and follow-up activities.

II. OBJECTIVES

The OPIC/A.I.D. MOU has two primary objectives. The first is to increase measurable private sector investment in sub-Saharan Africa through OPIC and A.I.D. joint investment promotion programs, i.e. investment missions; the second is to establish an investment promotion initiative for Africa that will extend beyond the lifetime of this agreement.

These complementary objectives require that OPIC and A.I.D. establish, at OPIC, an investment missions team (see section V.) dedicated solely to the implementation of missions to Africa. This staff will spearhead the initiative, will report to both organizations (see section VI.) and will work closely with the other OPIC and A.I.D. sections involved with Africa. At OPIC, this includes the Finance department's Africa initiative, enhanced this year by the temporary assignment of a finance officer to Nairobi, and the Africa Growth Fund, a venture capital fund for Africa managed by Equator Bank, the Insurance department's ongoing investment insurance activities in Africa, and the Development department's EPZ initiative.

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This team will assure that the A.I.D. international investment-related resources, support activities and auxiliary services available through AFR/MDI are integrated to create a "basket" of OPIC and A.I.D. services available to investors in Africa. Other U.S. government agencies that offer services to investors, such as the Department of Commerce, the Trade and Development Program (TDP), the Small Business Administration (SBA) and the Export-Import Bank will also be consulted.

OPIC will cooperate with A.I.D. on the pre-investment mission conferences organized by AFR/MDI.

At the conclusion of activities under the MOU, this staff should have implemented five investment missions that will have introduced approximately 75-100 firms to investment opportunities in Africa. The success of this initiative should position OPIC and A.I.D. to establish a permanent Africa investment promotion program that is integrated into both organization's current structures and support mechanisms for facilitating private investment in Africa.

III. PLANNED ACTIVITIES UNDER THE MOU

Within the context of increasing U.S. private sector investment in Africa, OPIC will establish a team of three individuals to plan, recruit for, implement and follow up on five investment missions to Africa in fiscal years 1991 and 1992. Specifically, OPIC will:

- implement two multi-country investment missions to Africa in fiscal year 1991, the first of which will be to Zimbabwe and Namibia and the second which is proposed for Mauritius and Madagascar
- implement three investment missions to Africa in fiscal year 1992, all of which are to be multi-country missions unless it is determined that a single country mission is feasible.

For each mission OPIC will:

- conduct a reconnaissance visit according to established OPIC procedures that will identify market sectors of potential interest to investors, permit collection of current information on the investment and business climate, and establish links with the U.S. embassy, USAID mission, host country government and host country private sector organizations necessary to implement the mission

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- produce promotional material for use in mission recruitment, a revised mission budget, and briefing materials for distribution to the mission participants prior to their departure from the United States
- coordinate follow up activities between mission participants, OPIC, A.I.D. and the U.S. embassy and A.I.D. mission
- produce a draft report on the mission (see section IV.) for submission to AFR/MDI.

V. RELATIONSHIPS AND RESPONSIBILITIES

The activities under the MOU will be carried out by OPIC. AFR/MDI will be the primary A.I.D. contact for OPIC.

The Missions Officer (MO) will report to AFR/MDI on a monthly basis. The MO may also report to the U.S. embassy or USAID mission representatives as required. The MO, Assistant Missions Officer (AMO) and Missions Assistant (MA) will be assigned office space within OPIC and have use of OPIC facilities, i.e. telephone, telex, telefax, computers, printers, photocopying and secretarial support.

VI. REPORTING

A draft report, summarizing each Mission undertaken and conclusions and recommendations deriving from these Missions will be provided to OPIC/A.I.D. approximately one month after each scheduled Mission. The MO/AMO will verbally present his/her finding to OPIC/A.I.D. and will solicit input for inclusion in the final report. A Final Report will be completed and forwarded to each country concerned within one month of the MO/AMO's return to the United States.

VII. LEVEL OF EFFORT

Three FTE positions will be required for the length of the agreement. Positions begin January 1, 1991 through September 30, 1992 for 21 months.

A. Missions Officer (MO) In coordination with director of investment missions, assists with country selection. Plans, implements and completes necessary follow up activities, including final reporting requirements (see section VI.) for Africa investment missions. Conducts reconnaissance visit,

analyzes information on the investment, political, and economic climates, U.S. companies, and industry sectors prepared by AMO. Responsible for mission budget, promotional material, recruitment of participants,, tracking mission results and follow up with participants. Maintains contact with other OPIC and U.S. government officials and is main contact with AFR/MDI.

B. Assistant Missions Officer (AMO) Assists MO as directed in implementation of above activities. Researches, analyzes and compiles information on the investment, political, and economic climates, on U.S. companies, and on industry sectors in each country. Drafts correspondence, prepares preliminary budgets, promotional material and recruitment letters, and compiles list of potential mission participants. Coordinates all logistical and programmatic aspects of organizing missions, both overseas and in the U.S. Oversees research activities of missions intern.

C. Missions Assistant (MA) Manages mission database functions, accounting and procurement for missions using OPIC BAT system, oversees mailings and coordinates follow up on action items, coordinates travel arrangements and reconciliation, handles general missions inquiries, coordinates mission correspondence and cable traffic, prepares mission briefing material, including biographical information on mission participants, coordinates missions intern activities, and assists MO and AMO as directed. Missions assistant also maintains missions files, assures and adequate supply of office materials, including corporate informational material, and provides telephone coverage for MO and AMO.

VII. BUDGET

The following budget sets forth the estimated expenditure under the MOU. Without prior written approval of AFR/MDI, OPIC may not exceed the total estimate or the amount of appropriations allocated by A.I.D., whichever is less. Also, without prior written approval of AFR/MDI, OPIC may not exceed the estimated expenditure, or lesser proportionate amounts relative to the available funding for an individual line item of cost shown below by more than 15 percent of such a line item, except for indirect costs, which are governed by rates shown in the basic contract.

ATTACHMENT A

OPIC/A.I.D. MEMORANDUM OF UNDERSTANDING

ACTIVITY DESCRIPTION

I. BACKGROUND

OPIC conducts seven to twelve investment missions per year to developing countries where excellent investment opportunities exist for U.S. investors. Historically, fifteen percent of companies that participate on OPIC missions actually make an investment in the country. This average has been higher recently due to a more focused recruitment effort designed to match targeted investors with specific investment opportunities.

OPIC organizes one investment mission to a sub-Saharan African country each year when resources permit. Since 1986, OPIC has led missions to Guinea, Cameroon and Zaire (1986), Nigeria (1988), Swaziland, Botswana and Lesotho (1989), and Togo, Benin and Cameroon (1990). These missions, while successful, have proven difficult to organize due to lack of interest in investing in Africa on the part of the U.S. private sector. OPIC missions are designed to be self-funding with participants paying a pro-rata share of the direct costs associated with organizing a mission. Africa missions have never been organized on a self-funding basis, and have always required a larger portion of OPIC resources than missions to other regions.

Interagency cooperation on investment promotion activities in Africa began with A.I.D. assistance in the recruitment of mission participants for the 1989 investment mission to Botswana, Swaziland, Lesotho, a mission which has resulted in five investment projects in these countries.

In early 1990, OPIC and A.I.D. began discussions that led to closer cooperation through official cosponsorship of the investment mission to West Africa. This mission was tied closely to another joint project, the Export Processing Zone (EPZ) feasibility study in Africa. Joint mission recruitment focused on investment opportunities emanating from the establishment of the free zones and the enactment of EPZ legislation in Togo and Cameroon.

A.I.D. assumed approximately 54 percent of the cost of implementing the mission through a funding transfer to OPIC. Preliminary follow-up from the mission indicates that between \$35 and \$40 million in investment could result. The initial success of the mission strengthened OPIC/A.I.D. cooperation and led to discussions as to how best to leverage each others' strengths to affect increased U.S. private sector investment in sub-Saharan Africa.

In promoting investment in Africa, each agency brings to bear a different expertise and set of resources. OPIC has excellent relations and extensive contacts with the U.S. private sector, a track record of successful finance and investment insurance projects and a business development staff with experience in investment promotion activities such as investment missions.

A.I.D. complements this with extensive experience in Africa, including a physical presence in many countries, a demonstrated expertise in international investment-related areas of the Market Development and Investment (AFR/MDI) staff and, through independent contracting, the ability to commit resources to mission recruitment, implementation and follow-up activities.

II. OBJECTIVES

The OPIC/A.I.D. MOU has two primary objectives. The first is to increase measurable private sector investment in sub-Saharan Africa through OPIC and A.I.D. joint investment promotion programs, i.e. investment missions; the second is to establish an investment promotion initiative for Africa that will extend beyond the lifetime of this agreement.

These complementary objectives require that OPIC and A.I.D. establish, at OPIC, an investment missions team (see section V.) dedicated solely to the implementation of missions to Africa. This staff will spearhead the initiative, will report to both organizations (see section VI.) and will work closely with the other OPIC and A.I.D. sections involved with Africa. At OPIC, this includes the Finance department's Africa initiative, enhanced this year by the temporary assignment of a finance officer to Nairobi, and the Africa Growth Fund, a venture capital fund for Africa managed by Equator Bank, the Insurance department's ongoing investment insurance activities in Africa, and the Development department's EPZ initiative.

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This team will assure that the A.I.D. international investment-related resources, support activities and auxiliary services available through AFR/MDI are integrated to create a "basket" of OPIC and A.I.D. services available to investors in Africa. Other U.S. government agencies that offer services to investors, such as the Department of Commerce, the Trade and Development Program (TDP), the Small Business Administration (SBA) and the Export-Import Bank will also be consulted.

OPIC will cooperate with A.I.D. on the pre-investment mission conferences organized by AFR/MDI.

At the conclusion of activities under the MOU, this staff should have implemented five investment missions that will have introduced approximately 75-100 firms to investment opportunities in Africa. The success of this initiative should position OPIC and A.I.D. to establish a permanent Africa investment promotion program that is integrated into both organization's current structures and support mechanisms for facilitating private investment in Africa.

III. PLANNED ACTIVITIES UNDER THE MOU

Within the context of increasing U.S. private sector investment in Africa, OPIC will establish a team of three individuals to plan, recruit for, implement and follow up on five investment missions to Africa in fiscal years 1991 and 1992. Specifically, OPIC will:

- implement two multi-country investment missions to Africa in fiscal year 1991, the first of which will be to Zimbabwe and Namibia and the second which is proposed for Mauritius and Madagascar
- implement three investment missions to Africa in fiscal year 1992, all of which are to be multi-country missions unless it is determined that a single country mission is feasible.

For each mission OPIC will:

- conduct a reconnaissance visit according to established OPIC procedures that will identify market sectors of potential interest to investors, permit collection of current information on the investment and business climate, and establish links with the U.S. embassy, USAID mission, host country government and host country private sector organizations necessary to implement the mission

- produce promotional material for use in mission recruitment, a revised mission budget, and briefing materials for distribution to the mission participants prior to their departure from the United States
- coordinate follow up activities between mission participants, OPIC, A.I.D. and the U.S. embassy and A.I.D. mission
- produce a draft report on the mission (see section IV.) for submission to AFR/MDI.

V. RELATIONSHIPS AND RESPONSIBILITIES

The activities under the MOU will be carried out by OPIC. AFR/MDI will be the primary A.I.D. contact for OPIC.

The Missions Officer (MO) will report to AFR/MDI on a monthly basis. The MO may also report to the U.S. embassy or USAID mission representatives as required. The MO, Assistant Missions Officer (AMO) and Missions Assistant (MA) will be assigned office space within OPIC and have use of OPIC facilities, i.e. telephone, telex, telefax, computers, printers, photocopying and secretarial support.

VI. REPORTING

A draft report, summarizing each Mission undertaken and conclusions and recommendations deriving from these Missions will be provided to OPIC/A.I.D. approximately one month after each scheduled Mission. The MO/AMO will verbally present his/her finding to OPIC/A.I.D. and will solicit input for inclusion in the final report. A Final Report will be completed and forwarded to each country concerned within one month of the MO/AMO's return to the United States.

VII. LEVEL OF EFFORT

Three FTE positions will be required for the length of the agreement. Positions begin January 1, 1991 through September 30, 1992 for 21 months.

A. Missions Officer (MO) In coordination with director of investment missions, assists with country selection. Plans, implements and completes necessary follow up activities, including final reporting requirements (see section VI.) for Africa investment missions. Conducts reconnaissance visit,

analyzes information on the investment, political, and economic climates, U.S. companies, and industry sectors prepared by AMO. Responsible for mission budget, promotional material, recruitment of participants,, tracking mission results and follow up with participants. Maintains contact with other OPIC and U.S. government officials and is main contact with AFR/MDI.

B. Assistant Missions Officer (AMO) Assists MO as directed in implementation of above activities. Researches, analyzes and compiles information on the investment, political, and economic climates, on U.S. companies, and on industry sectors in each country. Drafts correspondence, prepares preliminary budgets, promotional material and recruitment letters, and compiles list of potential mission participants. Coordinates all logistical and programmatic aspects of organizing missions, both overseas and in the U.S. Oversees research activities of missions intern.

C. Missions Assistant (MA) Manages mission database functions, accounting and procurement for missions using OPIC BAT system, oversees mailings and coordinates follow up on action items, coordinates travel arrangements and reconciliation, handles general missions inquiries, coordinates mission correspondence and cable traffic, prepares mission briefing material, including biographical information on mission participants, coordinates missions intern activities, and assists MO and AMO as directed. Missions assistant also maintains missions files, assures and adequate supply of office materials, including corporate informational material, and provides telephone coverage for MO and AMO.

VII. BUDGET

The following budget sets forth the estimated expenditure under the MOU. Without prior written approval of AFR/MDI, OPIC may not exceed the total estimate or the amount of appropriations allocated by A.I.D., whichever is less. Also, without prior written approval of AFR/MDI, OPIC may not exceed the estimated expenditure, or lesser proportionate amounts relative to the available funding for an individual line item of cost shown below by more than 15 percent of such a line item, except for indirect costs, which are governed by rates shown in the basic contract.

Appendix 4

MEMORANDUM OF UNDERSTANDING

BETWEEN

THE AGENCY FOR INTERNATIONAL DEVELOPMENT (A.I.D.)

AND

THE OVERSEAS PRIVATE INVESTMENT CORPORATION (OPIC)

SUBJECT: Allocation of Funds for OPIC/A.I.D. Investment
Promotion Project (698-0438)

I. PURPOSE:

The purpose of this Memorandum of Understanding (the "MOU") between the Overseas Private Investment Corporation ("OPIC") and the Agency for International Development ("A.I.D.") is to define the procedures under which A.I.D. shall transfer funds to OPIC for the purpose of promoting investment in Africa through investment missions and investment promotion programs ("Project").

II. FUNDING:

The total contribution of A.I.D. to the Project will be \$2,044,300. Pursuant to section 632(a) of the Foreign Assistance Act of 1961, as amended, A.I.D. shall allocate Development Fund for Africa (DFA) funds ("the A.I.D. funds") to OPIC for the accomplishment of the technical assistance as outlined in Attachment A, "Activity Description". The first transfer of funds shall be in the amount of \$500,000, from amounts appropriated to A.I.D. in fiscal year 1992, and available for obligation through September 30, 1993. The second transfer of funds shall be in the amount of \$1,544,300 from funds appropriated in fiscal year 1993, which are expected to be available for obligation through September 30, 1994, to the extent that such funds are available for purposes of the Project. Upon allocation to OPIC, the A.I.D. funds shall be available for obligation and expenditure by OPIC in accordance with sections 231-240A of the Foreign Assistance Act of 1961, as amended, and the conditions set forth in this MOU.

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III. IMPLEMENTATION

A. A.I.D. hereby confirms that it approves of the Project budget and related work plan as furnished by OPIC. OPIC shall obligate and disburse the A.I.D. funds to carry out the Project pursuant to such budget and work plan.

B. A.I.D. shall notify OPIC no later than August 1, 1993 of its current budgetary situation for fiscal year 1994 and shall consult frequently with OPIC regarding such situation until the final transfer of funds is made.

C. A.I.D. will regularly review the work plan and progress toward achieving objectives of the Project.

D. OPIC agrees to consult with A.I.D. in the selection of countries to be included in the scope of the investment promotion activities in the Project.

E. Upon A.I.D.'s request, OPIC representatives will meet monthly with A.I.D. to discuss and review progress toward achieving the objectives outlined in the scope of work to this document.

G. OPIC agrees to provide A.I.D. with a written statement upon completion of each Mission detailing how A.I.D. funds were used and providing an overall summary of the missions activities, and with notification upon the completion of each feasibility study agreement.

IV. ACCOUNTING AND RECORD KEEPING

A. OPIC shall receive each allocation of the A.I.D. funds as a Treasury Department non-expenditure transfer authorization (SF-1151) and shall assure that each such allocation of the A.I.D. funds is not commingled with any other funds. OPIC shall keep full and complete records and accounts with respect to A.I.D.

B. If there is any possibility that any of the A.I.D. funds appropriated in fiscal year 1992, fiscal year 1993, or fiscal year 1994 cannot be obligated by September 30 of such year, OPIC is requested to so advise A.I.D. no later than

August 1 of such year for any necessary reapportionment action. None of the A.I.D. funds may be obligated after September 30 of the year in which such funds were appropriated, except pursuant to a valid apportionment or reapportionment for such purpose. OPIC will be advised in writing by A.I.D.'s Office of Financial Management when obligations can be incurred in the new fiscal year. OPIC is also requested to notify A.I.D. in writing upon the total obligation of each allocation of the funds.

C. For each allocation of the A.I.D. funds, OPIC shall provide the monthly Report on Budget Execution (SF-133) to each of the following A.I.D. offices: (a) Office of Financial Management; (b) the Africa Bureau Office of Development Planning; and (c) the Africa Bureau Associate Assistant Administer for Operations and New Initiatives. OPIC shall also furnish the A.I.D. Office of Financial Management a year-end certification (TFS 2108).

V. PERIOD OF EFFECTIVENESS

This MOU shall be effective upon the signature and shall continue in effect until OPIC provides the final Report on Budget Execution with respect to the third allocation of funds as described above.

Alison Rosenberg
 Alison Rosenberg
 Assistant Administrator
 for Africa
 Agency for International
 Development

Mildred O. Callear
 Mildred O. Callear
 Acting Vice President and
 Treasurer
 Overseas Private
 Investment Corporation

Date: 9/29/92

Date: 9/25/92

CLEARANCES:

AID

OPIC

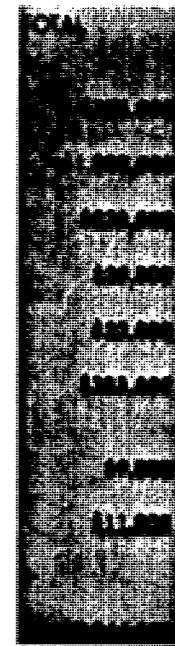
AID/AFR/ONI:WWeinstein: <u>[Signature]</u>	OPIC/A/VP/ID:SShore: <u>[Signature]</u>
AID/AFR/ONI:PGuedet: <u>[Signature]</u>	OPIC/VP/LA:HHills: <u>[Signature]</u>
AID/AFR/ONI:JVermillion: <u>[Signature]</u>	OPIC/A/T:AHPredieri: <u>[Signature]</u>
AID/GC:ESpriggs: <u>[Signature]</u>	
AID/AFR/DP:JLGovan: <u>[Signature]</u>	
AID/AFR/DP:GCauvin: <u>[Signature]</u>	
AID/PFM/FM/FC:JHevesy: <u>[Signature]</u>	
AID/AFR/ONI: AHarding: <u>[Signature]</u>	

9/28/92

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BUDGET OPIC/AID FUNDS TRANSFER

	FY 1992 TRANSFER	FY 1993 TRANSFER
1. PAYROLL/PERSONNEL	\$174,000	\$181,000
2. FEASIBILITY STUDY COMPONENT	\$50,000	\$950,000
3. FOREIGN TRAVEL	\$91,000	\$142,500
4. DOMESTIC TRAVEL	\$7,700	\$12,300
5. PRINTING	\$12,000	\$20,000
6. CONTRACTS (IN-COUNTRY MISSION COSTS)	\$156,300	\$227,500
7. TRAINING	\$4,500	\$4,500
8. SUPPLIES	\$4,500	\$6,500
SUB-TOTAL	\$500,000	\$1,544,300
TOTAL		



2/3

BUDGET BREAKDOWN

(NOT SUBJECT TO 15% LINE ITEM RESTRICTIONS LISTED IN SECTION VII OF ATTACHMENT A)

1. PAYROLL/PERSONNEL

October through September

(GS or base pay plus 30% benefits)

2. FEASIBILITY STUDY

Technical Transfer

3. FOREIGN TRAVEL FY 1993
(Per Diem & Airfare)

FY 1993

FY 1994

TOTAL

\$167,000

\$174,000

\$341,000

\$300,000

\$700,000

\$1,000,000

Recon#1 MO Officer	\$7,100
AMO Officer	\$7,100
Mission#1 MO Officer	\$7,100
AMO Officer	\$7,100
Mission Chair	\$7,100
Sub-total	\$35,500

Recon#2 MO Officer	\$7,100
AMO Officer	\$7,100
Mission#2 MO Officer	\$7,100
AMO Officer	\$7,100
Mission Chair	\$7,100
Sub-total	\$35,500

\$71,000

FY 1994

Recon#3 MO Officer	\$7,100
AMO Officer	\$7,100
Mission#3 MO Officer	\$7,100
AMO Officer	\$7,100
Mission Chair	\$7,100
Sub-total	\$35,500

Recon#4 MO Officer	\$7,100
AMO Officer	\$7,100
Mission#4 MO Officer	\$7,100
AMO Officer	\$7,100
Mission Chair	\$7,100
Sub-total	\$35,500

\$71,000

FY 1993 South Africa Missions	Recon#1 MO Officer	\$4,000				
	AMO Officer	\$4,000				
	Mission#1 MO Officer	\$4,000				
	AMO Officer	\$4,000				
	Mission Chair	\$4,000				
	Sub-total	\$20,000				
	Recon#2 MO Officer	\$4,000				
	Mission#2 MO Officer	\$4,000				
	Mission Chair	\$4,000				
	Sub-total	\$12,000	\$32,000			
FY 1994 South Africa Missions	Recon#1 MO Officer	\$4,000				
	Mission#1 MO Officer	\$4,000				
	Mission Chair	\$4,000				
	Sub-total	\$12,000				
	Recon#2 MO Officer	\$4,000				
	Mission#2 MO Officer	\$4,000				
Mission Chair	\$4,000					
Sub-total	\$12,000			\$24,000		
4. DOMESTIC TRAVEL	Airfare & Per Diem	\$5,000		\$5,000		
	Total		\$5,000		\$5,000	
5. PRINTING	FY 1993	Brochures Mission #1	\$4,000			
		Brochures Mission #2	\$4,000			
		R.S.A. Brochures #1	\$4,000			
		R.S.A. Brochures #2	\$4,000			
		Sub-Total		\$16,000		
	FY 1994	Brochures Mission #3			\$4,000	
		Brochures Mission #4			\$4,000	
		R.S.A. Brochures #3			\$4,000	
R.S.A. Brochures #4				\$4,000		
	Sub-Total				\$16,000	



6. CONTRACTS

FY 1993

IN-COUNTRY EXPNS

Mission #1

a. Accommodations		
\$130 /15 Night /25people	\$48,750	
b. Control Room\$200/15	\$3,000	
c. Meeting Room\$300/6	\$1,800	
d. Local Transportation	\$3,000	
e. Temporary Staff	\$2,000	
f. Office Supplies	\$800	
g. Telephone	\$1,000	
Sub-total		\$60,350

Mission #2

a. Accommodations		
\$130 /15 Night /25people	\$48,750	
b. Control Room\$200/15	\$3,000	
c. Meeting Room\$300/6	\$1,800	
d. Local Transportation	\$3,000	
e. Temporary Staff	\$2,000	
f. Office Supplies	\$800	
g. Telephone	\$1,000	
Sub-total		\$60,350

RSA Mission #1

a. Accommodations		
\$130 /10 Night /20people	\$26,000	
b. Control Room\$200/10	\$2,000	
c. Meeting Room\$300/4	\$1,200	
d. Local Transportation	\$3,000	
e. Temporary Staff	\$2,000	
f. Office Supplies	\$400	
g. Telephone	\$1,000	
Sub-total		\$35,600

2/1

RSA Mission #3

a. Accommodations			
\$130 /10 Night /20people		\$26,000	
b. Control Room\$200/10		\$2,000	
c. Meeting Room\$300/4		\$1,200	
d. Local Transportation		\$3,000	
e. Temporary Staff		\$2,000	
f. Office Supplies		\$400	
g. Telephone		\$1,000	
Sub-total			\$36,600

RSA Mission #4

a. Accommodations			
\$130 /15 Night /20people		\$26,000	
b. Control Room\$200/15		\$2,000	
c. Meeting Room\$300/4		\$1,200	
d. Local Transportation		\$3,000	
e. Temporary Staff		\$2,000	
f. Office Supplies		\$400	
g. Telephone		\$1,000	
Sub-total			\$36,600

Sub-Total of Missions FY94

\$191,900

7. TRAINING

\$4,500

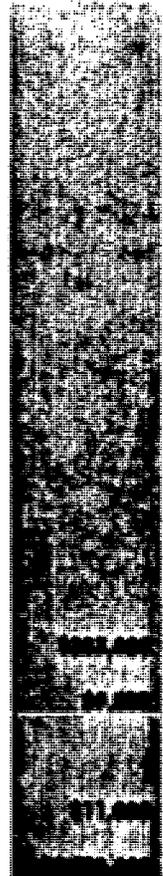
\$4,500

8. SUPPLIES

Flag Pins\$500/6 Missions	\$3,000		\$3,000
Misc.	\$2,500		\$2,500

Sub-Total **\$5,500**

\$5,500



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ATTACHMENT A

OPIC/AID MEMORANDUM OF UNDERSTANDING

ACTIVITY DESCRIPTION

I. BACKGROUND

In January 1991 OPIC and AID entered into a joint program designed to bring together the expertise and resources of each agency to promote American investment in sub-Saharan Africa. The program has been an unqualified success. In the eighteen months that the program has been operational, more than 91 companies have visited ten African countries to investigate investment opportunities on OPIC/AID investment missions. Of the 91 companies that have participated on the missions, 35 have notified OPIC of plans to pursue investments. The total amount of potential U.S. investment in Africa directly attributable to this project is estimated to be \$664 million.

The principle method for carrying out the investment promotion project has been a series of investment missions. Over the course of the current agreement, three multi-country missions have been executed and a single country mission to Zambia is planned for September 13-18, 1992. (A fifth mission to Mauritius and Madagascar was scheduled for September 1991, but was canceled due to the political violence in Madagascar.) The 1991 agreement called for five investment missions to be carried out during FY 1991 and FY 1992. Since the cancellation of the Mauritius/Madagascar mission would have prevented OPIC from fulfilling the agreements, two of the planned missions were expanded to include four and three countries, respectively. Thus, OPIC/AID missions have visited the same number of countries that was originally envisioned.

The positive impact of the project will be measured by several standards. The estimated amount of U.S. exports that will be generated total approximately \$277 million and the estimated total amount of U.S. person years of employment that have been generated is over 1,876. The

impact from a development perspective is equally impressive: \$664 million of potential new private sector investment in Africa should create over 2900 jobs in Africa, and contribute to the development of these countries by increasing their exports, the balance of trade, and their access to foreign exchange. The intangible benefits of this program should not be underestimated. The forging of new partnerships between the American and African private sectors has been long neglected as part of the strategic planning of the U.S. Government. OPIC and AID recognize Africa's potential for successful private sector-led development. Africa is unusually well-endowed with natural resources. Even more importantly, Africans are well-known for possessing the entrepreneurial instinct and skills that drive private sector activity. If employed productively, Africa's human and natural resources are more than sufficient to bring prosperity to its people.

\$664 million in potential American investment over an eighteen month period has proven that sufficient demand exists within the U.S. business community to invest in Africa. The challenge that confronts OPIC and AID is how to ensure that these levels of American investment are sustained and increased.

II. OBJECTIVES

The FY 1993-4 OPIC/AID MOU has three primary objectives. The first is to increase measurable private sector investment in sub-Saharan Africa through OPIC and A.I.D. joint investment promotion programs, i.e. investment missions and financing initiatives with the Africa Growth Fund. Second, OPIC and A.I.D. will establish an ongoing investment campaign designed to increase U.S. investment in South Africa. The primary goal of this campaign will be to assist American businesses in developing contacts and business partnerships with disadvantaged South African business people or representatives of the private sector. Third, OPIC will institute a feasibility study program to assist the American private sector in evaluating investment opportunities in Africa.

These complementary objectives require that OPIC and A.I.D. re-establish, at OPIC, an investment missions team (see section V) dedicated to implementing the above objectives. This staff will report to both organizations (see section VI) and will work closely with the other OPIC and A.I.D. offices and personnel involved with Africa.

III. PLANNED ACTIVITIES UNDER THE MOU

OPIC will retain the team of individuals hired under the original MOU to accomplish the following during fiscal years 1993 and 1994:

- implement two multi-country investment missions to Africa in fiscal year 1993, to countries to be determined by OPIC and AID/AFR/ONI;
- implement two multi-country investment missions to Africa in fiscal year 1994, to countries to be determined by OPIC and AID/AFR/ONI;
- develop a partnership with the Africa Growth Fund to enhance OPIC and AID's efforts to promote U.S. private sector investment in sub-Saharan Africa.
- develop and implement an ongoing investment program which will focus on developing partnerships between disadvantaged South African business people in the private sector and the U.S. business community. The focus of the strategy will be twofold: 1) identifying potential partnerships by working with the American Embassy/Pretoria and USAID/Pretoria to identify local entrepreneurs and matching them with American partners through OPIC's network of contacts and, 2) developing new financing options which will allow small U.S. businesses that wish to participate in South Africa greater access to investment capital which may not exist due to OPIC's current loan floor.
- institute a comprehensive follow-up program for mission participants which will provide the mission participant

with the appropriate assistance necessary to facilitate future investments in the African countries that were visited by the OPIC/AID investment mission. This program will also allow OPIC and AID to better track the progress of mission participants after an investment mission has been concluded.

- provide feasibility study funds for potential investment projects in Africa. This program will be similar to that being established by OPIC for the Commonwealth of Independent States.

IV. RELATIONSHIP AND RESPONSIBILITIES

The activities under the MOU will be carried out by OPIC. AFR/ONI will be the primary AID contact for OPIC.

The Missions Officer (MO) will report to AFR/ONI on a monthly basis. The MO may also report to the U.S. Embassy or the USAID mission as required. The MO, Assistant Missions Officer and Missions Assistant (MA) will be assigned office space within OPIC and have use of OPIC facilities, ie. telephone, telex, telefax, computers, printers, photocopying and other business support services.

V. REPORTING

A draft report, summarizing each mission undertaken and conclusions and recommendations derived from these missions will be provided to AID approximately one month after each mission. The MO will verbally present his/her findings to AID and will solicit input for inclusion in the final report. A final report will be completed and forwarded to each country concerned within one month following the conclusion of each investment mission.

VII. LEVEL OF EFFORT

Three Full-Time Employee (FTE) positions will be required for the length of the agreement. Positions will begin October 1, 1992 through September 30, 1994 (24 months).

A. Missions Officer (MO) Under the supervision of the OPIC Director of Investment Missions, plans and implements all investment promotion programs in sub-Saharan Africa. Supervises the activities of the Associate Missions Officer, Missions Assistant and intern(s) assigned to assist the Africa investment promotion program.

In coordination with the Director of Investment Missions, assists with country selection. Plans implements and completes necessary follow-up activities, including final reporting requirements (see section IV) for Africa investment missions. Conducts reconnaissance visits, analyzes information on investment, political and economic climates, U.S. companies, and industry sectors prepared by the Associate Missions Officer (AMO). Responsible for the mission budget, promotional material, recruitment of the participants, tracking mission results and follow-up with the participants. Maintains contact with other OPIC and U.S. Government officials and the contact/program officer with AID/AFR/ONI. Overseas the activities of interns.

B. Associate Missions Officer (AMO) Assists the MO as directed in the implementation of the above activities. Researches, analyzes and compiles information on the investment, political, and economic climates, on U.S. companies, and on industry sectors in each targeted African country. Drafts correspondence, prepares preliminary budgets, promotional material and recruitment letters, and compiles lists of potential mission participants. Coordinates all logistical and programmatic aspects of organizing missions both overseas and in the United States.

C. Missions Assistant (MA) Manages mission database functions, accounting and procurement for missions, overseas mailings and coordinates follow-up on action items, coordinates travel arrangements and reconciliation, handles general missions inquiries, coordinates mission correspondence and cable traffic, prepares mission briefing material, including biographical information on mission participants, coordinates mission intern activities, and assists the MO and AMO as directed. Missions assistant also maintains mission files, assures an adequate supply of office materials, including corporate informational material, and provides telephone coverage for MO and AMO.

VII. BUDGET

The following budget sets forth the estimated expenditure under the MOU. Without prior written approval of AID/AFR/ONI, OPIC may not exceed the total estimate or the amount of appropriations allocated by AID, whichever is less. Also, without prior written approval of AID/AFR/ONI, OPIC may not exceed the estimated expenditure, or lesser proportionate amounts relative to the available funding for the individual line item of cost shown below by more than 15 percent of such a line item, except for indirect costs, which are governed by rates shown in the basic contract.

July 9, 1992

MEMORANDUM FOR THE EXECUTIVE VICE PRESIDENT

THRU: Scott Shore, VP/ID

Peter Ballinger, M/ID

FROM: David H. Miller, SA/ID

SUBJECT: New Funds Transfer Agreement between OPIC and AID

Pursuant to the Executive Memorandum of April 19, 1990, your approval is requested for Investment Development to begin negotiations with the Agency for International Development (AID) for a continuation of the Africa investment missions program for two additional years (FY 1993-4).

Per discussions with your office, OPIC will work with AID to expand the program to include the following initiatives:

1.) OPIC will develop a mechanism to provide funding of feasibility studies for potential projects in Africa. This program will be similar to the project development funding program being established for Eastern Europe and the Newly Independent States (NIS). The amount to be requested from AID for this program will be \$1 million.

2.) OPIC will develop and implement an ongoing investment program which will focus on developing new partnerships between disadvantaged South Africans in the private sector and small and medium-size American businesses. The focus of the strategy will be twofold:

a.) identifying potential partnerships by working with the American Embassy/Pretoria and USAID/Pretoria to identify local entrepreneurs and matching them with American partners through OPIC's network of contacts and,

b.) developing new financing options which will allow small businesses that wish to participate in South Africa greater access to investment capital which may not exist given OPIC's current loan floor.

3.) OPIC will enhance the follow-up program for participants which will provide mission participants with the appropriate assistance necessary to facilitate future investments in the African countries which were visited during the investment mission. This program will allow OPIC and AID to better track the progress of mission participants after an investment mission has been concluded.

In addition to the activities listed above, OPIC will continue to carry out investment missions to Africa. Two investment missions will be planned for each fiscal year of the program. (Four investment missions over the life of the agreement.)

Personnel/Resource Requirements

The feasibility study component of the new agreement will follow the guidelines established for the Commonwealth of Independent States (CIS) and Eastern Europe program. Investment Development envisions that the current staffing requirement of three full time employees (FTEs) should be able to adequately handle the incorporation of the feasibility studies program into the existing program. Investment Development will redesign the work plans for the current Africa staff to allow for the incorporation of the feasibility program and the increased investment promotion campaign to South Africa.

To institute this program, OPIC will need to secure three temporary FTEs from the Office of Management and Budget (OMB) for the period effective between October 1, 1992 and September 30, 1994. Current FTE authority for the personnel to carry out the existing program expires on September 30, 1992.

David Miller will be responsible for drafting the new funds transfer agreement and budget, communicating with the Africa Bureau of AID, and managing the internal clearance process within OPIC.

Action Requested

Your approval is needed to begin the process of negotiating a new agreement under the terms outlined above.

Approve: _____

Disapprove: _____

Date: _____

Clearances

Howard L. Hills, VP/LA: HL (signed 4/5)
Mildred O. Callear, VP/T: MO
Robert O. Draggon, VP/F: per attached comment
Anne H. Predieri, T: AP
Jack McDonald, F: JM
Jim Offutt, LA: JO

**cc: Felton Johnston, VP/I
Richard K. Childress, VP/MS
Scott Shore, AVP/ID**

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James Scott, Jimsco
Mike Warren, (BWI) Blue Water Mining Co.
Wayne Kelly, Diplomatic Security Inc. (DSI)
William Blockman, (DSI)
Kate Campana, Volunteer in Overseas Coop Ass't (VOCA)
Shawn Brown, Job America Management
William Downes, Zion (Non-Profit), Philadelphia

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N. Billig
M. Caughlin
M. Lewis
J. Vermillion

(b) A.I.D., other

Gary Vaughn, A.I.D./NE
Edward Wise, A.I.D./PRE
Brad Druhot, A.I.D./LAC

(c) Non-A.I.D. (Federal Gov't.)

Ann Marie Emmet,
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Regina Brown,
Loan Officer, ExIm Bank

John Richter,
Trade Development Program

Phillip Michelini,
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(d) **Other U.S. Government**

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National Association of State
Development Agencies
(NASDA)

(e) **OPIC**

David Miller
Anna Crabtree
Rachel Viddy
Eric Lohman
Andrew Rosen

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John Callebaut, U.S.-Philippines Business Committee
Sara Givens, U.S.-Philippines Business Committee
Arthur Rubin, U.S.-Angola Chamber of Commerce
Shawn McGrath, U.S.-Angola Chamber of Commerce
Godwin Obaseki, U.S.-Africa Chamber of Commerce (N.Y.)

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Ramon Cabo, African Project Development Fund (APDF)
Ludwig Rudel, Consultant to Multilateral Investment
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Dale Weigel, Foreign Investment Advisory Service (FIAS)

OPIC/A.I.D. INVESTMENT MISSION TO ZAMBIA - Participants

Number of Companies: *20 18 (2 cancelled)*
9/4/92

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Appendix 7

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DRAFT: NB ()

CLEAR: PM ()

UNCLASSIFIED

CLEAR: JPP ()

CLEAR: AF ()

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10/05/92 647-3943
AID/AFR/ONI:NBILLIG

CLEAR: SA ()

CLEAR: BL ()

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PRIORITY MBABANE, LILONGWE PRIORITY, LOME PRIORITY, YAOUNDE
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AIDAC

E.O. 12356: N/A

TAGS:

SUBJECT: OPIC/AID INVESTMENT MISSIONS EVALUATION

1. AFR/ONI OFFICE IS CONDUCTING, WITH THE COLLABORATION OF THE OVERSEAS PRIVATE INVESTMENT CORPORATION (OPIC), AN EVALUATION OF THE SIX INVESTMENT MISSIONS TO AFRICA MOUNTED DURING THE PAST TWO YEARS WITH JOINT AID-OPIC SPONSORSHIP. THE PURPOSE IS TO DETERMINE THE COST AND BENEFIT OF OPERATIONS AND TO INSURE THAT FUTURE ACTIVITIES ARE WELL FORMULATED.

2. THE PRINCIPAL TASKS, TO BE CONDUCTED PRIMARILY FROM WASHINGTON, INCLUDE CONTACTS WITH PARTICIPATING FIRMS, DISCUSSIONS WITH PRINCIPAL PARTIES AND ANALYSIS OF DOCUMENTED RESULTS FROM EACH PROGRAM.

3. IN ORDER TO AUGMENT THE REVIEW, PLEASE RESPOND WITHIN 10 CALENDAR DAYS TO THE FOLLOWING ILLUSTRATIVE ISSUES:

(A) COMMENT ON IMPACT AND CONTRIBUTION OF INVESTMENT MISSIONS, IN TERMS OF SPECIFIC BUSINESS DEALINGS, INVESTMENTS MADE BY US AND LOCAL FIRMS, IF ANY, OPPORTUNITIES UNCOVERED, ACTIVITIES UNDER CONSIDERATION OR COMMUNICATIONS ESTABLISHED.

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{B} REVIEW NATURE OF FOLLOW-UP CONDUCTED BY PERSONNEL OF MISSION, EMBASSY OR OTHER ENTITY TO ASSIST US OR LOCAL BUSINESSES AFTER COMPLETION OF VISIT. NOTE, EVALUATION OF FOLLOW-UP IS AN IMPORTANT ELEMENT OF THE WASHINGTON-BASED EFFORT.

{C} CITE STRENGTHS AND WEAKNESSES OF AID-OPIC PROGRAM DESIGN AND IMPLEMENTATION, INCLUDING PRE-MISSION RECONNAISSANCE, TIMING, QUALITY AND TIMING OF BRIEFING MATERIALS, SELECTION OF BUSINESS PARTICIPANTS AND SHARING OF COSTS AND RESPONSIBILITIES.

{D} COMMENT ON HOW OTHER DONOR AGENCIES FOSTER PRIVATE INVESTMENT INVESTIGATIONS, PARTICULARLY INVESTMENT MISSIONS. WHAT CHANGES SUGGEST THEMSELVES FOR U.S. EFFORTS?

{E} EVALUATE WORK OF OTHER GROUPS, SUCH AS IFC, AFDB, AFRICA PROJECT DEVELOPMENT FACILITY, AFRICA GROWTH FUND, AND FOREIGN INVESTMENT ADVISORY SERVICE, TO SUPPORT INVESTMENT EFFORTS AND, WHERE APPLICABLE, RELATE SUCH EFFORTS TO AID-OPIC MISSIONS.

{F} ESTIMATE VALUE OF POSSIBLE INDIRECT IMPACT OF MISSIONS ON LOCAL GOVERNMENT'S POLICY FORMULATION AND INFLUENCE ON LOCAL BUSINESS INITIATIVES TO IMPROVE LOCAL ECONOMIC CLIMATE.

{G} WHAT ARE LESSONS LEARNED AND HOW SHOULD FUTURE INVESTMENT MISSIONS AND SUPPORTIVE OPERATIONS BE ARRANGED?

4. DURING PAST TWO YEARS, AFR-ONI CONTRIBUTED ABOUT 622,000 TO SUPPORT JOINT AID-OPIC MISSIONS DURING THE SAME PERIOD. INCOME FEES PAID TO OPIC BY PARTICIPATING COMPANIES WERE ABOUT DOLS 100,000. ONI PLANS TO INVEST APPROXIMATELY 800,000 FOR SIMILAR MISSIONS DURING THE NEXT TWO YEARS. IN ADDITION, ABOUT 1.0 MILLION IS BUDGETED FOR FEASIBILITY STUDIES, VIA OPIC AND PRIVATE CONTRACTORS, IN SUPPORT OF OVERALL EFFORTS.

5. PLEASE REPLY BY 10/15. WHEN USING CABLE MARK RESPONSE: AFR/ONI/PSD OPIC-AID INVESTMENT MISSIONS EVALUATION. FAXES MAY BE SENT DIRECTLY TO F. THOMAS, LABAT ANDERSON, 703 524 7668. FOR TELEPHONE USE 703 525 9400 EXT. 715. THANKS FOR YOUR HELP. WE NEED YOUR FEED-BACK TO MAKE THE PROGRAM MORE EFFECTIVE.

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3

COUNTRIES CONTINUED:

PRIORITY ACCRA, BANJUL PRIORITY, ABIDJAN PRIORITY, DAKAR
PRIORITY, KAMPALA PRIORITY, DAR ES SALAAM PRIORITY,
NAIROBI PRIORITY, LUSAKA PRIORITY

CLEARANCES CONTINUED:

AID/AFR/SA:JROYER
AID/AFR/EA:GLEWIS
AID/AFR/EA:MSARHAN
AID/AFR/EA:CTERRY 44

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TELEGRAM

AGENCY FOR INT'L DEV. TELECOMMUNICATIONS CENTER

PAGE 01 ABIDJA 18416 061605Z 8176 034727 AID0630 ACTION AID-00

ABIDJA 18416 061605Z 8176 034727 AID0630

ACTION OFFICE AFON-05 INFO AFCV-03 AFDP-06 POSP-01 POID-01 RDAA-01 PRPC-02 FNAF-01 STFN-02 AMAD-01 /024 AB 07/2226Z

INFO LOG-00 AF-00 A-00 CIAE-00 DODE-00 EB-00 FBO-00 TASE-00 /00SV

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UNCLAS ABIDJAN 018416

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FOR AID/AFR/ONI/PSD

E.O. 12958: N/A SUBJECT: OPIC-AID INVESTMENT MISSIONS EVALUATION

REP: STATE 332751

BELOW ARE REDSO/WCA RESPONSES IN COLLABORATION WITH THE EMBASSY FOREIGN COMMERCIAL SERVICE OFFICE AND ECONOMIC SECTION TO QUESTIONS POSED IN REFTEL.

A. BASED ON THE AID-OPIC MISSIONS, THERE WERE NO NET NEW U.S. BUSINESSES BROUGHT TO COTE D'IVOIRE. THE THREE U.S. BUSINESSES WITH ONGOING LOCAL DISCUSSIONS WERE INVESTIGATING BUSINESS OPPORTUNITIES IN COTE D'IVOIRE PRIOR TO THE MISSION. THE COMPANIES ARE (1) F.C. SCHAFFER, A BATON ROUGE ENGINEERING CONSULTING COMPANY

WHICH DEALS PRINCIPALLY IN THE REHABILITATION OF SUGAR PLANTATIONS, (2) COMSAT, A TELECOMMUNICATIONS COMPANY PRESENTLY NEGOTIATING AN EQUIPMENT DEAL WITH THE GOVERNMENT OF THE COTE D'IVOIRE, AND (3) MR. WAYNE KELLEY OF DIPLOMATIC SECURITY, INC. ON HIS OWN BEHALF, MR. KELLEY HAS BEEN NEGOTIATING WITH LA FINANCIERE COTE D'IVOIRE FOR THE DESIGN AND CONSTRUCTION OF AN OFFICE BUILDING IN DOWNTOWN ABIDJAN. ACCORDING TO THE FCS, KELLEY HAS FILED A SUIT IN IVORIAN COURTS AGAINST LA FINANCIERE COTE D'IVOIRE FOR NON-PAYMENT OF US DOLLARS 400,000.

B. FOLLOW-UP HAS BEEN UNDERTAKEN BY THE FCS OFFICE WITH THE THREE COMPANIES LISTED IN (A). DUE TO THE HIGH DEGREE OF TRAVEL OF REDSO STAFF, FOLLOW UP ACTIVITY BY REDSO HAS NOT BEEN FEASIBLE. ALSO, IT SHOULD BE NOTED THAT ALL ARRANGEMENTS FOR THE OPIC-AID MISSION WERE THRU THE EMBASSY AND FCS, NOT REDSO.

C. ACCORDING TO THE FCS, THE AID-OPIC PROGRAM CONCEPT IS NOT BAD FOR GROWING ECONOMIES. GIVEN THE PRESENT STATE OF THE ECONOMY OF COTE D'IVOIRE, IT WAS PROBABLY NOT A LIKELY TARGET FOR A GENERAL MISSION. IF A PARTICULAR SECTOR HAD BEEN CHOSEN, OR OPPORTUNITIES (BUSINESS PEOPLE WITH LIVE PROJECTS TO DISCUSS) HAD BEEN MORE CAREFULLY IDENTIFIED AND POTENTIAL U.S. COUNTERPARTS FOCUSED ON THESE OPPORTUNITIES, PERHAPS MORE FOLLOW-ON BUSINESS WOULD HAVE DEVELOPED. CERTAINLY OPIC AND THE EMBASSY SOUGHT GOOD PROJECTS, BUT THE HOST GOVERNMENT AND PRIVATE SECTOR HAD DIFFICULTY PRODUCING THEM. AMONG WEAKNESSES CITED (1) PRE-MISSION WORK SHOULD BE CARRIED OUT BY INDIVIDUALS WITH LANGUAGE CAPABILITY, SOME FEEL

FOR THE BUSINESS ENVIRONMENT IN WEST AFRICA, AND WHO DO NOT REQUIRE BEING ESCORTED BY LOCAL PROFESSIONAL EMBASSY STAFF AT ALL TIMES (2) ALTHOUGH SHARING OF COSTS DID

OCCUR, IT WAS FELT THAT THE WORKLOAD AND RESPONSIBILITY FOR LOGISTICAL SUPPORT FELL, TO A LARGE EXTENT, TOO HEAVILY ON THE EMBASSY STAFF, ESPECIALLY THE FCS STAFF. ALSO THAT OPIC'S MISSION OFFICER HAD A FLAWED UNDERSTANDING OF OPIC'S RELATIONSHIP TO OVERSEAS POSTS.

D. REDSO IS NOT FAMILIAR WITH THE EFFORTS OF OTHER DONORS IN FOSTERING PRIVATE INVESTMENT, PARTICULARLY INVESTMENT MISSIONS.

E. REDSO IS NOT FAMILIAR WITH SPECIFIC EFFORTS THAT HAVE BEEN MADE BY OTHER GROUPS SUCH AS IFC, AFDB, APDF, ETC. IN SUPPORTING AID/OPIC INVESTMENT MISSION EFFORTS.

F. THERE HAS BEEN LITTLE DIRECT OR INDIRECT IMPACT OF THE MISSIONS ON GOVERNMENT OF COTE D'IVOIRE POLICY FORMULATION.

G. REDSO WOULD SUGGEST THAT IN FUTURE, SUCH MISSIONS BE MORE TARGETED IN TERMS OF IVORIAN BUSINESS OPPORTUNITIES BEING INVESTIGATED AS WELL AS U.S. PARTICIPANTS ON MISSIONS. SMALLER, MORE FOCUSED EFFORTS. IN ORDER TO ACCOMPLISH A MORE TARGETED APPROACH, PRE-MISSION WORK WILL NEED TO BE MORE IN DEPTH AND POSSIBLY OF LONGER DURATION IN-COUNTRY. MORAN

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PAGE 01 NAMPAL 06100 041351Z 0159 033045 AID6052
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NAMPAL 06100 041351Z 0159 033045 AID6052

ACTION OFFICE AFON-05
INFO AFEA-04 AFDP-06 AFPE-02 POSP-01 POAR-02 POID-01 PRPC-02
APAD-01 /025 AD 06/1040Z

INFO LOG-00 AF-00 CIAE-00 DODE-00 ED-00 TRSE-00 /003W
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R 041300Z NOV 92
FM AMEMBASSY KAMPALA
TO SECSTATE WASHDC 4396

UNCLAS KAMPALA 06100

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FOR AFR/ONI/PSD

E.D. 12356: N/A

SUBJECT: OPIC/AID INVESTMENT MISSIONS EVALUATION

REF: STATE 332751

1. SUMMARY: MISSION FEELS THE REQUEST FOR COMMENTS ON THE KAMPALA MAY OPIC MISSION IS PREMATURE. HOWEVER, FOR THE PURPOSE OF THIS EVALUATION, MISSION WOULD LIKE TO PROVIDE SOME GENERAL OBSERVATIONS. UGANDA INVESTMENT AUTHORITY (UIA), WHICH WAS A MAJOR PLAYER DURING THE UGANDA MAY OPIC MISSION, WOULD LIKE TO SEE MORE INVOLVEMENT OF LOCAL IN-COUNTRY INVESTMENT INSTITUTIONS WITH OPIC MISSIONS. ALTHOUGH THE IMPACT OF THE MAY MISSION IS SLOW TO SHOW RESULTS, A UGANDAN PRIVATE COMPANY IS ALREADY BENEFITING FROM THE SPINOFF OF THE MISSION. END SUMMARY.

2. KAMPALA OPIC MISSION WAS VERY WELL ORGANIZED. BEFORE AND DURING THE VISIT, USAID, EMBASSY, UIA AND UGANDA MANUFACTURERS ASSOCIATION (UMA) ALL WORKED CLOSELY TOGETHER TO ENSURE THE SUCCESS OF THE MISSION. THE BIG NUMBER OF APPLICATIONS FOR INVESTMENT SUBMITTED TO UIA IS EVIDENCE OF THIS; USAID CONTINUES TO RECEIVE ENQUIRIES REGARDING PARTICIPATION UNDER THE OPIC PROGRAM. GOU TAKES THIS MISSION VERY SERIOUSLY, AND AS A RESULT THE GOVERNMENT IS PLANNING A "REVERSE" OPIC MISSION WHICH IS SCHEDULED TO TAKE PLACE IN THE COMING MONTHS. THE PURPOSE OF THIS MISSION IS TO FOLLOW-UP ON THE MAY OPIC MISSION.

3. UIA COMMENTED THAT IT WOULD LIKE TO SEE A LITTLE MORE LOCAL INVOLVEMENT AND MORE LINKAGE TO ON-GOING UGANDAN PROGRAMS, FOR EXAMPLE:

- MORE WORK SHOULD BE DONE IN-COUNTRY IN IDENTIFYING VIABLE PROJECTS AND COMMITTED AND FINANCIALLY SOUND PROJECT PROMOTERS.

- ENOUGH TIME SHOULD BE GIVEN FOR DISCUSSIONS BETWEEN POTENTIAL U.S. INVESTORS AND THEIR COUNTERPARTS.

- UIA WOULD LIKE TO BE INVOLVED IN THE FOLLOW-UP ACTIVITIES IN UGANDA OR BE ADVISED OF CONTINUING INTERESTS OF U.S. PARTICIPANTS TO FOLLOW-UP.

- THERE IS A NEED FOR MORE PREPARATORY WORK BY ONI/OPIC TO ESTABLISH A PROJECT BASE TO WORK WITH BEFORE OPIC MISSION.

- AID/OPIC SHOULD MAINTAIN CONTACT WITH DEVELOPMENT AGENCIES, BANKS, UN, ETC, TO DEVELOP A "CRITICAL MASS" FOR INVESTMENT AND TO MAKE SURE OPIC MISSION IS DEMAND-DRIVEN BY BOTH U.S. PARTICIPANTS AND THE LOCAL

INVESTORS.

4. THE IFC, AFDB, APDF ALL HAVE NEARBY REGIONAL OFFICES WITH REPRESENTATIVES WHO TRAVEL FREQUENTLY AND IN SOME CASES HAVE LOCAL REPRESENTATION AND IN-COUNTRY CONTACTS TO STIMULATE PROJECTS.

5. FYI. AS A SPINOFF FROM THE MAY OPIC MISSION ATC-SEMBULE IS NOW ASSEMBLING COMPUTERS. AFTER THE MAY MISSION, ATC-USA OF ATLANTA, GEORGIA WAS INTRODUCED TO SEMBULE INVESTMENT, LIMITED BY A KAMPALA BUSINESSMAN. NEGOTIATIONS WERE CARRIED OUT QUICKLY AND A JOINT VENTURE, ATC-SEMBULE WAS ESTABLISHED. UGANDAN TECHNICIANS HAVE COMPLETED THEIR TRAINING AND ATC-SEMBULE HAS ASSEMBLED THEIR FIRST THREE ATC-SEMBULE 3400 PERSONAL COMPUTERS WHICH ARE BEING EXHIBITED IN THE ON GOING TRADE SHOW HERE IN KAMPALA. FULL PRODUCTION IS EXPECTED TO START NEXT MONTH. ADDITIONALLY, DURING THE MAY MISSION SEMBULE MET A REPRESENTATIVE OF KLUDJESON INTERNATIONAL CORPORATION. NEGOTIATIONS TO ESTABLISH A JOINT VENTURE ARE PROCEEDING. SEMBULE AND KLUDJESON REPRESENTATIVES WILL BE MEETING IN CAIRO, EGYPT FOR A TELECOMMUNICATION CONFERENCE ORGANIZED BY ATT DEALERS AT THE END OF THIS MONTH. THE PURPOSE OF THE SEMBULE/KLUDJESON CAIRO MEETING IS TO FINALIZE JOINT VENTURE ARRANGEMENTS AND TO

REVIEW SEMBULE TRAINING NEEDS AND TIMETABLE. END FYI.

CARSON

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PAGE 01 DAKAR 11206 00 OF 02 201140Z 1200 026542 A101020
ACTION AID-00

DAKAR 11206 00 OF 02 201140Z 1200 026542 A101020
BENEGAL, EXCEPT TO NOTE THAT IN JULY, 1982, THE GOS
HOSTED "FRENCH INVESTORS IN AFRICA", A SUBCHAPTER OF THE
FRENCH NATIONAL EMPLOYERS' ASSOCIATION (PATRONAT).

ACTION OFFICE AFSD-06
INFO AFSD-06 AFDP-06 POSP-01 POAR-02 PDID-01 FNAF-01 SDB-02
SEDP-01 PRID-02 SERP-01 ANAD-01 OPIC-10 AFFW-02 POCE-01
/043 A/ 22/1805Z

(E) THE IFC HAS INVESTED APPROXIMATELY US\$0.4 MILLION IN THREE PRIVATE PROJECTS INCLUDING A FERTILIZER PLANT FOR US\$0.6 MILLION AND TWO FISH PROCESSING PLANTS. PROPARCO, A PRIVATE SECTOR INVESTMENT ENTITY OF THE FRENCH CAISSE CENTRAL, INVESTED US\$0.8 MILLION IN THE FISHING SECTOR AND IN MEDIUM-SIZED AGRO-BUSINESSES. THE AFSD HAS MADE LOANS TO SUPPORT SENEGALESE MANUFACTURING FIRMS INTENDED TO PRODUCE GOODS FOR THE REGION OF WEST AFRICA; NONE OF THESE TO OUR KNOWLEDGE IS IN PARTNERSHIP WITH OTHER INTERNATIONAL INVESTORS.

INFO LOG-10 AF-00 ANAD-01 COME-00 EB-00 ADS-00 OPIC-00
/012W

(F) GOS OFFICIALS MAY NOW HAVE GAINED A BETTER APPRECIATION FOR THE REQUIREMENTS OF INVESTORS. THE SENEGALESE PRIVATE SECTOR SHOULD NOW HAVE A BIT MORE LEVERAGE IN ITS EFFORTS TO REINFORCE THE ROLE OF PRIVATE ENTREPRENEURSHIP. THE PRIVATE SECTOR MAY NOW BE ABLE TO ARGUE THAT ONLY OFFERING A NEWLY LIBERALIZED INVESTMENT CODE WITHOUT OTHER INCENTIVES WILL NOT FOSTER CONDITIONS RIPE FOR ATTRACTING FOREIGN INVESTMENTS TO SENEGAL.

-----701056 201207Z /40 30

R 201130Z OCT 82
FM AMEMBASSY DAKAR
TO SECSTATE WASHDC 2059

(G) FUTURE INVESTMENT MISSIONS SHOULD BE SMALLER AND MORE TARGETED. A FOCUSED SELECTION PROCESS TO EXAMINE POTENTIAL JOINT VENTURES COULD ENHANCE THE POSSIBILITY OF SUCCESS.

UNCLAS DAKAR 11206

DEPT PASS AID FOR AFR/ONI/PSD OPIC INVESTMENT MISSION
EVALUATION

E.O. 12958: N/A
TAGS: OEXP, SG
SUBJ: OPIC/AID INVESTMENT MISSION EVALUATION

REF: STATE 332751

KOTT

1. THE FOLLOWING RESPONSES ARE KEYED TO REFTEL:

(A) THE RESULTS OF THE OPIC/AID MISSION WERE DISAPPOINTING TO THE GOS AND SENEGALESE BUSINESS COMMUNITY. NO SUBSTANTIVE BUSINESS DEALS WERE SIGNED WITH AMERICAN FIRMS. THE MISSION LACKED AN INVESTMENT FOCUS BECAUSE MOST PARTICIPANTS WERE INTERESTED IN IMPORT-EXPORT. THE SIZE OF THE DELEGATION AND MISCOMMUNICATIONS REGARDING OPIC REQUIREMENTS CONTRIBUTED TO ADMINISTRATIVE PROBLEMS. FUTURE DELEGATIONS SHOULD BE

SMALLER AND MORE FOCUSED. IN SUM, THE GAINS FROM THE MISSION WERE MODEST. AT BEST IT PROVIDED A REMINDER TO THE SENEGALESE OF THE USG'S SERIOUS INTEREST IN PROMOTING ECONOMIC COOPERATION BETWEEN THE U.S. AND SENEGAL.

(B) EMBASSY COMMERCIAL SECTION STAFF PROVIDED FOLLOW-UP INFORMATION ON U.S. FIRMS TO SENEGALESE BUSINESSMEN EAGER TO DEVELOP AND EXPAND U.S. BUSINESS TIES. NO U.S. FIRMS ASKED FOR FOLLOW-UP. SENEGALESE BUSINESSMEN WERE UNABLE TO INTEREST THE HANDFUL OF SERIOUS POTENTIAL INVESTORS IN INVESTMENT PARTNERSHIPS. AMERICAN BUSINESSMEN REPEATEDLY MENTIONED THE IMPRESSION THAT IT WOULD BE DIFFICULT TO DO BUSINESS HERE AND SPOKE OF THE LACK OF POTENTIAL PROFITS. IN ADDITION TO THE LANGUAGE BARRIER, THEY FOUND OMBODUS THE GOS INVOLVEMENT IN THE PRIVATE SECTOR. A NUMBER OF THEM FELT THAT SENEGAL STILL HELD A STATIST CONCEPT OF ITS ECONOMY, A HOLDOVER FROM COLONIAL TIMES.

(C) MISCOMMUNICATION REGARDING OPIC REQUIREMENTS CONTRIBUTED TO ADMINISTRATIVE PROBLEMS IN MANAGING THE DELEGATION. PRE-MISSION RECONNAISSANCE WAS DONE TOO FAR IN ADVANCE, SO THAT EMBASSY OFFICERS HAD BEEN REASSIGNED BY THE TIME OF THE MISSION AND A NEW TEAM WAS ON BOARD. THE CONSULTANT-WRITTEN BRIEFING PAPER WAS SOUND AND THOROUGH BUT NOT PARTICULARLY INSIGHTFUL. MOST MISSION PARTICIPANTS WERE INTERESTED IN IMPORT-EXPORT RATHER THAN INVESTMENT. THE DELEGATION IN DAKAR WAS TOO LARGE AND CAUSED UNDUE RELIANCE ON EMBASSY STAFF. IN ADDITION, THE MISSION'S LENGTH LEFT MANY PARTICIPANTS FATIGUED AND ILL BY THE TIME THEY REACHED SENEGAL.

(D) WE ARE UNABLE TO COMMENT KNOWLEDGEABLY ON EFFORTS OF OTHER DOWDR AGENCIES TO FOSTER PRIVATE INVESTMENT IN

*Peter -
For Opic
Evaluation*

DATE 10/29	DUE 10/25
ACTION TO Jim Vermillion	
E.O. 12958	
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GABORO 06195 00 OF 03 211353Z 0573 026932 A102500
MILLION FACE BRICKS PER YEAR. THE BDC HAS A 52 PERCENT INTEREST, OPIC HOLDS 24 PERCENT IN THE FORM OF A CONVERTIBLE DEBENTURE LOAN, AND INTERKILN HOLDS THE REMAINING 24 PERCENT INTEREST.

ACTION OFFICE AFON-05
INFO AFSA-03 01FA-01 FAPB-02 POSP-01 GC-01 GCAF-02 GCCM-01
RDAA-01 OFDA-02 PRPC-02 FNAH-01 STAG-02 ENGY-02 STFN-02
SLOP-01 IG11-02 SERP-01 SECS-02 AHAD-01 COM-02 FADP-03
PGCE-01 PRIO-01 /042 AB 23/1324Z

(2) THE SECOND OPIC MISSION RESULTED IN;

INFO LOG-00 AF-00 CIAE-00 DODE-00 ED-00 TRSE-00 /0034
-----70AB30 211356Z /00 30

- PIONEER HYBRID INTERNATIONAL, A IOWA BASED SEED COMPANY ENTERED INTO A JOINT VENTURE WITH THE MINISTRY OF AGRICULTURE TO PROCESS SEED FOR EXPORT TO EUROPE. ALTHOUGH THE CONTRACT HAS BEEN SIGNED, PIONEER HAD TO DELAY ITS BOTSWANA OPERATIONS DUE TO THE CURRENT DROUGHT.

P 211340Z OCT 92
FM AMEMBASSY GABORONE
TO SECSTATE WASHDC PRIORITY 0600

- A CALIFORNIA BASED COMPUTER ASSEMBLY FIRM ESTABLISHED A DISTRIBUTORSHIP ARRANGEMENT WITH A LOCAL COMPUTER SALES COMPANY, AND

UNCLAS GABORONE 06195

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AID/W FOR AFR/ONI/PSD

- CARGILL (U.K.) IS CURRENTLY EXPLORING THE POSSIBILITIES OF MANUFACTURING DERIVATIVE PRODUCTS FROM BOTSWANA SODA ASH.
B. FOLLOW-UP TO ASSIST U.S. INVESTORS OR LOCAL BUSINESSES.

E.O. 12356: M/A
SUBJ: OPIC/AID INVESTMENT MISSIONS EVALUATION

REF: STATE 332751

A FINANCE OFFICER OF THE OPIC/AFRICA GROWTH FUND VISITS BOTSWANA SEMI-ANNUALLY TO PROVIDE GUIDANCE OR ADVICE TO OPIC CLIENTS AND POTENTIAL CLIENTS. ALTHOUGH HIS VISITS ARE PRIMARILY TO SERVICE OPIC JOINT VENTURE CLIENTS (LOBATSE CLAY WORKS AND THE GABORONE SHERATON HOTEL) HE DOES FOLLOW-UP ON POTENTIAL INVESTMENT OPPORTUNITIES.

1. THE FOLLOWING IS USAID/BOTSWANA'S RESPONSE TO REFTEL. PARAGRAPH 3 OF REFTEL STATES THAT MISSIONS SHOULD RESPOND WITHIN 10 CALENDAR DAYS WHILE PARAGRAPH 6 REQUESTS THAT THE RESPONSES BE RECEIVED BY AID/W NOT LATER THAN OCTOBER 20, 1992. THE CABLE IN REFERENCE WAS TRANSMITTED ON OCTOBER 14, AND SUBSEQUENTLY DELIVERED TO USAID ON OCTOBER 15, 1992. MISSION SUGGESTS THAT FUTURE REQUESTS FOR EVALUATION INFORMATION ALLOW MISSIONS MORE TIME.

THE USAID PRIVATE SECTOR OFFICER AND THE EMBASSY/COMMERCIAL OFFICER KEEP EACH OTHER INFORMED OF CURRENT AND ANTICIPATED INVESTMENT OPPORTUNITIES. USAID SHARES WITH THE COMMERCIAL OFFICER INFORMATION PERTAINING TO USAID PROJECT RELATED ACTIVITIES WHICH OFFER POTENTIAL OPIC COMMERCIAL OPPORTUNITIES FOR U.S. BUSINESSES.

2. USAID/BOTSWANA APPRECIATES THE EFFORTS THAT THE OVERSEAS PRIVATE INVESTMENT CORPORATION (OPIC) HAS PUT FORTH IN ATTRACTING INVESTORS TO BOTSWANA, AND THEREFORE WELCOMES THE OPPORTUNITY TO COMMENT ON THE IMPACT OF THEIR INVESTMENT MISSIONS.

C. STRENGTHS AND WEAKNESSES OF AID-OPIC PROGRAM.

A. IMPACT AND CONTRIBUTION OF INVESTMENT MISSIONS.

A SERIOUS CONSTRAINT THAT RESTRICTS OPIC FROM MAXIMIZING THE POTENTIAL OF ITS INVESTMENT MISSIONS IS THE APPARENT DIFFICULTY THAT OPIC HAS IN CONFIRMING THE NAMES OF PARTICIPATING COMPANIES. IT'S EXTREMELY DIFFICULT TO GENERATE REAL INTEREST WHEN A RECIPIENT MISSION IS UNABLE TO INFORM PROSPECTIVE LOCAL PARTICIPANTS WHAT AMERICAN COMPANIES WILL SEND REPRESENTATIVES. OPIC HAD DIFFICULTY IN PROVIDING BOTSWANA WITH A DEFINITIVE LIST OF U.S. COMPANIES. IT WAS NOT UNTIL THE SCHEDULED ARRIVAL DATE THAT THE U.S. EMBASSY WAS GIVEN A FINAL LIST OF THE OPIC MEMBERS. CONSEQUENTLY A NUMBER OF LOCAL PARTICIPANTS WERE NOT PROVIDED WITH DEFINITE NAMES OF U.S. COMPANIES UNTIL THE OPIC TEAM WAS ALREADY IN BOTSWANA. THIS DELAY SEVERELY HINDERED THE MISSION IN ARRANGING APPOINTMENTS AND MATCHING THE OPIC MEMBERS WITH THE BEST POSSIBLE LOCAL BUSINESSPERSONS.

BOTSWANA WAS THE RECIPIENT OF TWO OPIC INVESTMENT MISSIONS. THE INITIAL MISSION TOOK PLACE IN APRIL 1989 AND ATTRACTED 8 U.S. COMPANIES. THE SECOND MISSION CONDUCTED IN APRIL 1991 BROUGHT REPRESENTATIVES FROM 14 U.S. FIRMS TO BOTSWANA. THE ASSESSMENT IS THAT BOTH MISSIONS WERE SUCCESSFUL FOR BOTSWANA AS WELL AS FOR THE MAJORITY OF THE OPIC MEMBERS. IN ADDITION TO EACH MISSION RESULTING IN FIRM INVESTMENT COMMITMENTS, SEVERAL OF THE OPIC MEMBERS HAVE DEVELOPED POTENTIAL LEADS AND ARE CURRENTLY IN THE PROCESS OF FOLLOWING THEM UP. THE FOLLOWING SPECIFIC BUSINESS VENTURES RESULTED FROM THE INVESTMENT MISSION:

(1) THE FIRST INVESTMENT MISSION RESULTED IN TWO JOINT VENTURES BETWEEN U.S. COMPANIES, OPIC, AND LOCAL INVESTORS.

ON THE POSITIVE SIDE, THE BOTSWANA INVESTMENT CLIMATE REPORT PREPARED FOR THE OPIC MISSION IS EXCELLENT. THE

- THE SHERATON HOTEL CHAIN - ENTERED INTO A JOINT AGREEMENT WITH THE BOTSWANA DEVELOPMENT CORPORATION (BDC), OPIC AND A FRENCH FIRM FOR THE CONSTRUCTION OF A 200 ROOM HOTEL. SHERATON HAS A TEN PERCENT INTEREST ALONG WITH EXCLUSIVE MANAGEMENT RIGHTS.

REPORT IS WELL WRITTEN, COMPREHENSIVE AND EASY TO READ. THE INFORMATION CONTAINED IN THIS REPORT IS ESSENTIAL FOR DECISION MAKING BY POTENTIAL INVESTORS. THE OPIC CONSULTANT DID A REMARKABLE JOB IN COMBINING INTO A SINGLE VOLUME A SERIES OF EXISTING REPORTS AND VOLUMINOUS DATA. THE REPORT GREATLY REDUCES THE RESEARCH AND STAFF TIME PERTAINING TO INVESTMENT

- INTERKILN (LOBATSE CLAY WORKS) HAS RECENTLY STARTED PRODUCTION WITH A CAPACITY OF PRODUCING 25

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D. OTHER DONOR INVESTMENT INITIATIVES.

THE SWEDISH GOVERNMENT PROVIDES TECHNICAL ASSISTANCE WHICH RESULTS IN PROMOTING SWEDISH INVESTMENTS IN BOTSWANA. IN A COUNTRY SUCH AS BOTSWANA WHICH WAS ONE OF THE FASTEST GROWING ECONOMIES IN AFRICA, THE DEMAND FOR CAPITAL PROJECTS AND INFRASTRUCTURE DEVELOPMENT IS ENORMOUS. THE GOB PARASTATALS PUBLIC UTILITIES AND OTHER GOVERNMENT ENTITIES SUCH AS WATER UTILITIES, BOTSWANA POWER CORPORATION, BOTSWANA RAILWAYS, TELECOMMUNICATIONS, ETC. DEPEND HEAVILY ON EXPATRIATE TECHNICAL ASSISTANCE, MANY OF WHOM ARE FINANCED BY DONORS. THESE ADVISORS ARE ACTIVELY INVOLVED IN PROJECT DESIGN AND THE DRAFTING OF TECHNICAL AND COMMODITY SPECIFICATIONS FOR PROCUREMENT. IT IS UNDERSTANDABLE THAT SUCH ADVISORS SHOW PREFERENCE TO THE SPONSORING COUNTRY IN IDENTIFYING QUALIFIED SOURCES FOR SUPPLYING EITHER TECHNICAL ASSISTANCE OR EQUIPMENT.

E. EFFECTIVENESS OF OTHER GROUPS.

ALTHOUGH BOTH THE AFRICA PROJECT DEVELOPMENT FACILITY AND THE AFRICA GROWTH FUND PROVIDE LIMITED SERVICES WITHIN BOTSWANA, USAID/BOTSWANA IS NOT IN A POSITION TO COMMENT ON THE EFFECTIVENESS OF THEIR ACTIVITIES.

F. IMPACT ON LOCAL GOVERNMENT'S POLICY FORMULATION.

DURING THE SECOND OPIC MISSION TO BOTSWANA, THE MINISTRY OF COMMERCE AND INDUSTRY (MCI) ARRANGED EXTENSIVE BRIEFINGS FOR THE OPIC MEMBERS WITH BOTH GOB AND PARASTATAL REPRESENTATIVES. THE MINISTER OF MCI OUTLINED THE VARIOUS POLICIES AND PROGRAMS DESIGNED TO ATTRACT FOREIGN BUSINESS AND THE PRINCIPAL CONSTRAINTS HINDERING FURTHER GROWTH WERE DISCUSSED. OPIC, EMBASSY OFFICIALS AND LOCAL BUSINESS LEADERS USED THESE DISCUSSIONS TO LEVERAGE FOR OFFICIALS IN SEEKING ACTION ON REMAINING OBSTACLES FOR CONTINUED INVESTMENT. THE MINISTER OF MCI MADE IT CLEAR THAT BOTSWANA WANTS AMERICAN INVESTMENT AND URGED THE OPIC MEMBERS TO CONSIDER BOTSWANA AS A GOOD RISK AND BOTSWANA AS WILLING PARTNERS IN DEVELOPMENT. THE MINISTER ASSURED THE POTENTIAL INVESTORS THAT THE ISSUE PERTAINING TO WORK PERMITS FOR EXPATRIATES WOULD BE RESOLVED PRIOR TO THE END OF THE YEAR, BUT WAS LESS OPTIMISTIC PERTAINING TO RESOLVING THE TRADE DISPUTE WITH ZIMBABWE. AS PREDICTED, THE OBSTACLES IN OBTAINING WORK PERMITS HAVE BEEN RESOLVED, AND BUREAUCRATIC DELAYS, PARTICULARLY WITH CUSTOMS OFFICIALS, CONTINUE TO RESTRICT TRADE BETWEEN BOTSWANA AND ZIMBABWE.

G. LESSONS LEARNED.

PRIOR TO FUTURE INVESTMENT MISSIONS, OPIC SHOULD REQUEST THAT EACH RECIPIENT COUNTRY IDENTIFY SPECIFIC AREAS WHERE IT MAY HAVE A COMPETITIVE ADVANTAGE. OPIC SHOULD THEN ATTEMPT TO SELECT POTENTIAL INVESTORS WHICH MEET THE SPECIFIC REQUIREMENTS. ADDITIONALLY, FIELD MISSIONS SHOULD HAVE A CLEAR UNDERSTANDING PRIOR TO THE ARRIVAL OF THE OPIC MEMBERS OF WHICH COMPANIES ARE INTERESTED IN INVESTING ABROAD OR MERELY LOOKING FOR MARKETING OPPORTUNITIES. THIS INFORMATION IS VITAL IN ORDER TO ARRANGE FOR MEETINGS WITH APPROPRIATE LOCAL PARTICIPANTS. KOLKER

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 AFFW-02 /041 A4 KL 26/1550Z

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AIDAC

AID/W FOR AFR/ONI/PSD

E.O. 12958: N/A
 SUBJECT: OPIC-AID INVESTMENT MISSION EVALUATION

REF: A) STATE 332751
 - B) STATE 05044

1. WHILE USAID/ZAMBIA WILL ATTEMPT TO CONTRIBUTE TO THE EVALUATION OF OPIC-AID INVESTMENT MISSIONS, WE ARE CONSTRAINED BECAUSE THE PREPARATIONS, FACILITATION AND FOLLOW-UP FOR THE MISSION TO ZAMBIA WERE IN THE HANDS OF THE EMBASSY ECONOMIC OFFICER RATHER THAN USAID. WHILE USAID ATTENDED A NUMBER OF THE FUNCTIONS, WE WERE NOT INVOLVED IN THE PLANNING OR MANAGEMENT OF THE MISSION. AFR/ONI SHOULD SEE REFTEL 0, WHICH IS THE EMBASSY REPORTING CABLE ON THE MISSION.

2. WE ARE AWARE OF TWO, POSSIBLY THREE, LARGE INVESTMENTS IN THE DEVELOPMENT STAGE WHICH WERE MOVED FORWARD BY THE RECENT MISSION. MOBIL OIL, CURRENTLY A MINORITY SHAREHOLDER IN THE ZAMBIAN OIL REFINERY, IS INTERESTED IN ACQUIRING A MAJORITY SHAREHOLDING. A WEALTHY INVESTMENT BANKER FROM NEW YORK IS DISCUSSING THE ACQUISITION OF A LARGE GAME MANAGEMENT AREA BRIDGING THE NORTH AND THE SOUTH LUANGWA PARKS IN ORDER TO TURN IT INTO A GAME RESERVE/TOURIST RESORT. MOTOROLA HAS BEEN TALKING WITH GOVERNMENT OF ZAMBIA ABOUT OPERATING AN EXPANDED, HIGH TECH PHONE SYSTEM, THOUGH THIS INVESTMENT IS SOMEWHAT MORE PROBLEMATICAL. A NUMBER OF OTHER DEALS, THOUGH INTERESTING TO THE ZAMBIAIS ARE STILL IN THE DISCUSSION STAGE AND DEPEND IN PART ON ADEQUATE ZAMBIA FINANCIAL RESOURCES.

3. FOLLOW-UP ON THE RESULTS OF THE MISSION IS THE RESPONSIBILITY OF THE ECONOMIC ATTACHE, WHO WILL GATHER INFORMATION AS A RESULT OF LINKS WITH THE FIRMS CONSIDERING INVESTMENT AND CONTACTS WITH THE GRZ.

4. WE FOUND THAT THE DESIGN AND ORGANIZATION OF THE MISSION WORKED WELL. CLEARLY THE RECOGNIZANCE MISSION SERVED TO GIVE THE ORGANIZERS A MORE REALISTIC APPRECIATION OF THE ENVIRONMENT IN ZAMBIA, AS WELL SENSITIZING THE ZAMBIAN GOVERNMENT AND PRIVATE SECTOR TO THE INVESTMENT MISSION AND ITS PURPOSES. ONE POINT THAT REQUIRES MENTION IS THE

BOOKLET ENTITLED "CRITICAL ISSUES FOR AMERICAN INVESTORS IN ZAMBIA" PREPARED BY LABAT-ANDERSON INCORPORATED AND DISTRIBUTED IN ZAMBIA WITHOUT BEING REVIEWED BY THE EMBASSY. THIS IS BASICALLY AN

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 EXCELLENT PIECE OF WORK, MARRED /Y A COUPLE OF MINOR INACCURACIES AND A FEW STATEMENT'S WHICH MIGHT JAR ZAMBIA SENSITIVITIES. IN THE FUTURE SUCH MATERIAL SHOULD BE REVIEWED AT POST PRIOR TO DISSEMINATION.

5. WE HAVE NOTHING TO OFFER ABOUT HOW OTHER DONOR AGENCIES FOSTER INVESTMENT MISSIONS.

6. WITH REGARD TO THE IMPACT OF THE OPIC MISSION ON GRZ POLICY IMPLEMENTATION, IT WAS QUITE CLEAR FROM THE LEVEL AND KIND OF PUBLICITY SURROUNDING THE MISSION THAT THE GRZ AND THE PRIVATE SECTOR SAW THE MISSION AS BOTH A REAL AS WELL AS SYMBOLIC BENCHMARK ON THE MOVE TO A MARKET ECONOMY. IT WAS DIRECTLY IN THE CONTEXT OF THE OPIC MISSION THAT THE MINISTER OF COMMERCE, TRADE AND INDUSTRY ANNOUNCED GOVERNMENT'S INTENTION TO DIVEST ITSELF OF SUCH "STRATEGIC" OPERATIONS AS THE PHONE COMPANY, THE ELECTRIC COMPANY AND THE ZAMBIA CONSOLIDATED COPPER MINES. THAT THIS ANNOUNCEMENT PROVOKED A HEATED PUBLIC DEBATE AND A SUBSEQUENT PARTIAL BACK DOWN BY GOVERNMENT DOES NOT DIMINISH THE CATALYTIC EFFECT THAT THE OPIC MISSION BROUGHT TO THE PRIVATIZATION ISSUE.

7. THE PRINCIPAL LESSON-LEARNED FROM THE RECENT OPIC MISSION WAS THAT THE ZAMBIAN GOVERNMENT WILL LOOK TO ENCOURAGE U.S. INVESTMENTS. THE OPIC GROUP HAD

EXCELLENT ACCESS TO SENIOR GRZ OFFICIALS, FROM PRESIDENT CHILUBA ON DOWN. IT IS ALSO CLEAR THAT INVESTMENT DECISIONS ARE RARELY MADE ON THE SPOT DURING SUCH MISSIONS. U.S. PARTICIPANTS HAD INITIAL DISCUSSIONS WHICH NEED TO BE FOLLOWED UP ON AN INDIVIDUAL COMPANY BASIS BEFORE FINAL DECISIONS ARE MADE. IT ALSO SUGGESTS THAT EVALUATION OF THE EFFECTIVENESS OF THE OPIC MISSIONS WOULD HAVE TO COVER VERY LONG TIMEFRAME IN ORDER TO CAPTURE INVESTMENT WHICH DERIVED FROM A SPECIFIC MISSION. ARIETTI

DATE: 10/27, DUE: 10/30	
ACTION TO: <i>Jemillion</i>	
DOC. I.D.	
ACTION TAKEN.	DATE.
MAN	INITIALS

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ACTION AF-00

BANJUL 02050 00 OF 02 271104Z 0761 020510 AID0115

ACTION OFFICE AFOM-05
INFO AFSW-06 AFDP-06 POSP-01 POID-01 GC-01 GCAF-02 RDAA-01
PRPC-02 FNAF-01 STAG-02 STFN-02 AMAD-01 FAMP-02 EUDP-02
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INFO LOG-00 AID-00 AMAD-01 CEA-01 CIAE-00 COME-00 CTME-00
C-01 ODDE-00 ITCE-00 ED-00 EXME-00 E-01 FRD-01
N-01 IMRE-00 IMR-01 ITC-01 JUSE-00 LAB-04 L-00
ADS-00 NSAE-00 NSCE-00 OMB-01 OPIC-00 SNP-00 SP-00
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TO SECSTATE WASHDC PRIORITY 0826

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DEPT FOR AF/WAL:KOLSON
DEPT PLEASE PASS TO AID/AFR/ONI/PSD OPIC-AID
INVESTMENT MISSIONS EVALUATION

E.O. 12956: M/A
TAGS: EINV, ETRD, BEXP, OPIC, GA
SUBJECT: EVALUATION OF OPIC INVESTMENT MISSION

REF: STATE 332751

1. SUMMARY: NINE U.S. FIRMS PARTICIPATED IN THE NOVEMBER 1991 OPIC-AID INVESTMENT MISSION TO THE GAMBIA, TWO OF WHICH ARE INVOLVED IN AN ONGOING HOTEL INVESTMENT, ONE IS IMPORTING GAMBIAN PRODUCTS TO THE U.S., TWO ARE DISCUSSING FUTURE INVESTMENT PLANS, AND ONE SIGNED AN INVESTMENT AGREEMENT WHICH

HAS YET TO BE IMPLEMENTED. COOPERATION BETWEEN U.S. GOVERNMENT AGENCIES AND BETWEEN THE U.S. MISSION AND GAMBIAN OFFICIALS RESPONSIBLE FOR THE OPIC-AID INVESTMENT MISSION WENT SMOOTHLY. HOWEVER, POST FEELS THAT THE WRITING OF THE BRIEFING BOOK AND THE SELECTION OF PARTICIPANTS REQUIRES MORE CONSIDERATION. NEVERTHELESS, IN THE U.S. MISSION'S VIEW THE INVESTMENT MISSION TO THE GAMBIA WAS A SUCCESS AND WE WOULD WELCOME ANOTHER. END SUMMARY.

2. NINE U.S. FIRMS PARTICIPATED IN THE OPIC-AID INVESTMENT MISSION TO THE GAMBIA, 04-17 NOVEMBER 1992. THE NINE FIRMS WERE SHERATON MANAGEMENT CORPORATION; UNDCAL SENEGAL LTD.; TRI-WORLD INTERNATIONAL, LTD.; JOB AMERICAN MANAGEMENT EXPORT-IMPORT, LTD.; AFRICAN AGRICULTURAL SYSTEMS, INC.; THE OSLEA COMPANY; THE ENHANCE GROUP; JACKSON, MORROW & HUGHES, INC.; AND CARIBBEAN SUNDRIES, INC.

3. ONE OF THE PARTICIPANTS, AFRICAN AGRICULTURAL SYSTEMS, SIGNED A JOINT-VENTURE AGREEMENT DURING THE MISSION FOR A FIVE MILLION USD PROJECT IN THE FISHERIES SECTOR; HOWEVER THE GAMBIAN PARTNER REPORTED TO AN AID CONTRACTOR THAT THE PROJECT HAS NEVER STARTED OPERATIONS. RECENTLY, AN ADVERTISEMENT WAS PUBLISHED SOLICITING APPLICATIONS FOR PREQUALIFICATION TO BUILD THE 200 ROOM FIVE STAR 27 MILLION USD SHERATON KOTU POINT RESORT HOTEL. THE INITIAL CONTACT BETWEEN SHERATON AND THE GAMBIAN HOTEL PROMOTER OCCURED DURING THE OPIC MISSION. JACKSON, MORROW, AND HUGHES, INC. AGREED WITH

SHERATON AND THE GAMBIAN KOTU POINT HOTEL PROMOTER TO PROVIDE MARKETING SERVICES IN THE U.S. DESIGNED

TO ATTRACT AMERICAN TOURISTS TO THE GAMBIA. UNDCAL AND THE GAMBIAN GOVERNMENT CONTINUE DISCUSSIONS BEGUN DURING THE OPIC MISSION ON OFFSHORE OIL EXPLORATION IN THE GAMBIA'S TERRITORIAL WATERS. THE OWNER OF NATIONAL PARTNERSHIP ENTERPRISES, A GAMBIAN SEAFOOD PROCESSING FIRM, HAS TOLD EMBASSY OFFICIALS THAT HE HAS SOLD FROZEN SEAFOOD PRODUCTS TO THE OSLEA COMPANY FOR IMPORTATION TO THE U.S. LAST, BUT NOT LEAST, JOB AMERICAN MANAGEMENT EXPORT-IMPORT, LTD., CONTINUES TO DISCUSS JOINT-VENTURE OPPORTUNITIES IN THE AREAS OF FOOD PROCESSING AND COLD STORAGE. IN SUM FOUR OF THE NINE PARTICIPANTS HAVE CONCLUDED AGREEMENTS WITH GAMBIAN FIRMS, PRODUCING SIGNIFICANT BUSINESS OPPORTUNITIES, AND TWO CONTINUE DISCUSSIONS ON FUTURE INVESTMENT OPPORTUNITIES.

4. EMBASSY AND AID OFFICIALS HAVE BEEN HIGHLY RESPONSIVE IN ASSISTING U.S. FIRMS WHEN THEY HAVE REQUESTED MISSION ASSISTANCE. FOR THE MOST PART, HOWEVER, ONCE U.S. FIRMS HAVE MADE THE CONTACTS THEY FEEL THEY NEED, THEY SEEM TO DEAL DIRECTLY WITH THEIR GAMBIAN COUNTERPARTS. UNDCAL AND SHERATON HAVE ASSIDUOUSLY KEPT THE MISSION INFORMED OF THEIR RESPECTIVE SITUATIONS, WHILE JACKSON, MORROW, AND HUGHES AND JOB AMERICAN MANAGEMENT HAVE CONTACTED THE MISSION LESS FREQUENTLY. SINCE THE OPIC MISSION WE HAVE NOT HEARD FROM EITHER THE OSLEA COMPANY OR AFRICAN AGRICULTURAL SYSTEMS.

5. THE MISSION THINKS THAT BOTH OPIC RECONNAISSANCE TRIPS WERE TIMELY AND VERY EFFECTIVE. COST-SHARING ARRANGEMENTS WENT SMOOTHLY. HOWEVER, THE MISSION DID NOT THINK THAT THE PRODUCTION OF THE BRIEFING MATERIALS FOR THE PARTICIPANTS WAS HANDLED VERY WELL. THE MISSION ESSENTIALLY PROVIDED THE MATERIAL

IN NEAR COMPLETE FORM TO THE CONSULTANT, MULTINATIONAL SYSTEMS, INC. OF NEW YORK, YET THE FINAL DOCUMENT NEEDED EXTENSIVE REVISION BEFORE IT COULD BE GIVEN TO THE PARTICIPANTS. REGARDING THE SELECTION OF BUSINESS PARTICIPANTS, THE MISSION THOUGHT THAT SEVEN OF THE BUSINESS REPRESENTATIVES WHO CAME TO THE GAMBIA WERE SERIOUS ABOUT THEIR TRIP; HOWEVER TWO APPEARED TO BE HERE ON VACATION. THE TWO WERE THE REPRESENTATIVES OF TRI-WORLD INTERNATIONAL AND CARIBBEAN SUNDRIES. ONE GAMBIAN BUSINESS WOMAN TOLD ECONOFF THAT THE LATTER PARTICIPANT MADE EXTENSIVE ORDERS OF GAMBIAN CLOTHING FOR WHICH SHE NEVER SENT PAYMENT, CAUSING THE GAMBIAN VENDOR SOME FINANCIAL LOSS.

6. SO FAR AS THE U.S. MISSION UNDERSTANDS, OTHER DONOR AGENCIES DO NOT, IN GENERAL, FOSTER PRIVATE INVESTMENT INVESTIGATIONS, PARTICULARLY INVESTMENT MISSIONS. THE IFC AND CDC SENT ONE AND TWO MAN INVESTMENT INVESTIGATION MISSIONS TO THE GAMBIA IN AUGUST 1991. THE IFC HAS BEEN INVOLVED IN THE FOLLOWING INVESTMENTS, KOMBO BEACH HOTEL, PELICAN SEAFOOD, MAKUMBAYA FARMS (AGRICULTURE), AND

RADVILLE FARMS (HORTICULTURE). OPIC IS INVOLVED WITH PELICAN SEAFOOD. THE AFRICAN PROJECT DEVELOPMENT FACILITY HAS WRITTEN OR IS WRITING FEASIBILITY STUDIES FOR RADVILLE FARMS COLD STORAGE FACILITY AT BANJUL INTERNATIONAL AIRPORT, MAKUMBAYA FARMS, AND BAKAU CLINIC AND WILL ASSIST IN OBTAINING DEBT AND/OR EQUITY FINANCING FOR THESE PROJECTS. APDF IS CURRENTLY DISCUSSING OPENING A SATELLITE OFFICE IN BANJUL WITH AID. ALTHOUGH NOT ACTIVE IN

*critical issues
document needs
a revision.*

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THE GAMBIA IN THE PAST, THE FOREIGN INVESTMENT ADVISORY SERVICE MAY BEGIN ACTIVITIES SINCE THE GAMBIA HAS RECENTLY JOINED MIGA, THE MULTILATERAL INVESTMENT GUARANTEE AGENCY.

7. TO OUR KNOWLEDGE THE OPIC MISSION HAD NO DIRECT OR INDIRECT IMPACT ON GAMBIAN GOVERNMENT POLICY ON THE PRIVATE SECTOR.

8. THE MISSION BELIEVES THAT OUR OPIC INVESTMENT MISSION WENT QUITE SMOOTHLY. INTER-AGENCY COOPERATION AND COORDINATION WITH HOST COUNTRY OFFICIALS WORKED VERY WELL. POST RECOMMENDS THAT GREATER LEAD-TIME BE PLANNED FOR PRODUCTION OF BRIEFING MATERIALS IN ORDER TO PREVENT FRANTIC LAST-MINUTE REVISIONS. THE MISSION ALSO RECOMMENDS THAT PARTICIPANTS BE SCREENED THOROUGHLY SO THAT THEY INCLUDE ONLY THOSE SERIOUSLY INTERESTED IN DEVELOPING BUSINESS OPPORTUNITIES. RENDR

DATE	10/25	DATE	11/02
ACTION TO	J. J. J. J.		
DOC ID.			
ACTION TAKEN			
IVAN	INITIALS		

**FACSIMILE TRANSMISSION
U.S.A.I.D./TANZANIA**

Dar es Salaam, AID
Department of State
Washington, DC 20521-2140

P.O. Box 9130
Dar es Salaam
Tanzania

Telephone: 255-51-22130, 46429, 46430, 32977, 32922
Facsimile: 255-51-46431
Telex: 41591 USAID TZ

TO: F. Thomas
FROM: JMD JAT (HW)
PAGE 1 OF 1
DATE: 18 October 1998
TIME: 10:00 AM
FROM: Elizabeth Blouet. nnn

State 332751 (same subject as above) designated you as the contact for responses to the requests for information contained therein. This fax should be considered an interim response. Here is our situation:

1. We endorse the objectives of the exercise and believe that the questions raised in Paragraph 3 should be answered as fully and completely as possible. However, these reporting requests are not trivial. A full response will constitute a significant additional workload for my office in particular and the mission overall.
2. We are in possession of some but not all of the information required to answer these questions, and the gaps we need to fill will require significant staff work. Hence, (and given our many other responsibilities) there is no prospect whatsoever that we will be able to provide all the information requested within the "10 calendar days" indicated in State 332751.
3. We therefore have a choice as to how to proceed. We can adhere to the 10 day limit, and provide our response on 20 October. This will be a short and incomplete response but it will meet the time requirement. Alternatively, we can take more time and provide a fuller response. I would suggest 30 October as a realistic date for this fuller response.
4. Our preference is to set aside the 10 day deadline, and prepare a fuller response by the end of the month. However, it is for you (in consultation with your AFR/ONI project officer) to indicate to us how to proceed.
5. Action requested: please indicate which of these two options you wish us to pursue.

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UNITED STATES OF AMERICA
AGENCY FOR INTERNATIONAL DEVELOPMENT
U.S.A.I.D MISSION TO KENYA



PHONE: 254-2-331160
UNITED STATES POSTAL ADDRESS
USAID MISSION TO KENYA
UNIT 04103
APD AF 0001 - 4103

FAX: 254-2-337304
INTERNATIONAL POSTAL ADDRESS
P.O. OFFICE BOX 30261
NAIROBI, KENYA

TO: F. Thomas COMPANY/OFFICE: OPIC-AID INV.MISSION FAX: 703 524 7608
FROM: Alfreda Brewer ^{Ms} PRIORITY NO: 703 525 9400 NUMBER OF PAGES: 1
CLEARANCE: Stafford Baker ^{Stafford Baker} DATE: October 22, 1992 PRIORITY: DATE: (October 22, 1992)
OFFICIAL: Yes PERSONAL:

MESSAGE

The OPIC mission to Kenya was programmed as a regional stopover rather than a full fledged investment mission; therefore, the questions raised in the refel are not applicable to us. In general, though, the US investors seemed pleased with the program. They thought the briefings by the embassy, Kenyan government and American businessmen were helpful. At the end of the mission, several investors seemed optimistic about opportunities here. Neither the commercial office nor the mission knows the results of any of the meetings held; however, we know of one investor who has returned to Kenya twice. We imagine that the investors, like the donors and the private sector, will not make any commitment until the elections are over and the political situation has stabilized. If the outcome of the elections is positive, we would propose that a real investment mission come to Kenya.

Regards.

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Telex: 41991 USAID TZ

TO: P. Thomas
FROM: [unclear]
PAGE 1 OF 1
DATE: 18 October 1998
TIME: 15:11:00
FROM: [unclear]

State 332751 (same subject as above) assigned you as the primary contact person for responses to the requests for information contained therein. This fax should be considered an interim response. Here is our situation:

1. We endorse the objectives of the exercise and believe that the questions raised in Paragraph 3 should be answered as fully and completely as possible. However, these reporting requests are not trivial. A full response will constitute a significant additional workload for my office in particular and the mission overall.

2. We are in possession of some but not all of the information required to answer these questions, and the gaps we need to fill will require significant staff work. Hence, (and given our many other responsibilities) there is no prospect whatsoever that we will be able to provide all the information requested within the "10 calendar days" indicated in State 332751.

3. We therefore have a choice as to how to proceed. We can adhere to the 10 day limit, and provide our response on 20 October. This will be a short and incomplete response but it will meet the time requirement. Alternatively, we can take more time and provide a fuller response. I would suggest 30 October as a realistic date for this fuller response.

4. Our preference is to set aside the 10 day deadline, and prepare a fuller response by the end of the month. However, it is for you (in consultation with your AFR/ONI project officer) to indicate to us how to proceed.

5. Action requested: please indicate which of these two options you wish us to pursue.

*Better to consider
replying and just
consider what you can
do within your own
office.*

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TO : PHONE NO. : 0017035247668
FROM : LABADI BEACH HOTEL

NOV. 9.1992 8:06AM P 2
PHONE NO. : 772520

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AID 11/02/92
DIR:JBGGOODWIN
TAPS:WAKIWUMI:CAA
1.TAPSO:PWEISEL, 2.A/PRM:DROLLINS, 3.D/DIR:DLIBERI
AID3 ANB DCM,

AMEMBASSY ACCRA
SECSTATE WASHDC

AIDAC

AID/W FOR AFR/ONI/PSD OPIC-AID

E.O. 12356: N/A

SUBJECT: AID/OPIC INVESTMENT MISSIONS EVALUATION

REF: STATE 332751

THIS CABLE IS BEING SENT AS A JOINT USAID/EMBASSY
RESPONSE TO REFTEL.

1. THE 1991 AID/OPIC INVESTMENT MISSION TO GHANA WAS
WELL ATTENDED AND WIDELY PUBLICIZED IN THIS COUNTRY.
EXPECTATIONS WERE INCREASED THAT MORE U.S. INVESTMENT
WOULD OCCUR IN GHANA. HOWEVER THE MISSION HAS NOT
ACHIEVED MUCH RESULTS IN TERMS OF NEW INVESTMENTS TO
DATE.

2. IMPACT: ACCORDING TO THE GHANA INVESTMENT CENTER
CONSIDERABLE PROGRESS HAS BEEN MADE ON A NUMBER OF
POTENTIAL INVESTMENTS. THE CONDOR CAPITAL CORPORATION
HAS ENTERED INTO A JOINT VENTURE AGREEMENT WITH A
GHANAIAN COMPANY TO PRODUCE FRUIT JUICE CONCENTRATE AND
FRESH PINEAPPLES FOR EXPORT. IF THE AGREEMENT IS
SUCCESSFUL, A TOTAL OF DOLS 5 MILLION WILL BE INVESTED
INTO THE VENTURE FROM U.S. AND GHANAIAN SOURCES. A RICE
AND TILE PROJECT AND AN AQUACULTURE PROJECT HAVE ALMOST
BEEN FINALIZED. THE MISSION ALSO RESULTED IN SEVERAL
COMPANIES IN THE MINING AREA ADVANCING THEIR CASE FOR
OBTAINING MINING LICENSES OR, IN ONE INSTANCE, IN A
COMPANY MAKING HEADWAY IN ACQUIRING A STATE-OWNED
ENTERPRISE.

3. INDIRECT IMPACT: DESPITE THESE MEAGER RESULTS, WE

DIR

TAPS

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A/PRM

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ECON

TO :
FROM : LABADI BEACH HOTEL

PHONE NO. : 8217035247668

NOV. 9, 1992 8:07AM P 3
PHONE NO. : 772520

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FEEL THAT THE MISSION WAS POSITIVE PRIMARILY BECAUSE OF ITS INDIRECT IMPACTS IN TERMS OF EDUCATION AND POLICY CHANGES. IT WAS EDUCATIONAL IN THAT FOREIGN INVESTMENT WAS WIDELY PORTRAYED TO THE GHANIAN PUBLIC AS A POSITIVE DEVELOPMENT TOOL THROUGH THE POPULAR PRESS AND MEDIA. IN ADDITION, THE MISSION ENABLED THE U.S. PARTICIPANTS TO LEARN MORE ABOUT GHANA'S INVESTMENT CLIMATE, ADD U.S. WEIGHT TO INDIGENOUS EFFORTS TO GET GHANAIAN LAWS MODIFIED TO ENCOURAGE FOREIGN INVESTMENT, GET OFFERS ON THE TABLE WHICH ULTIMATELY MAY RESULT IN BUSINESS DEALS AND IDENTIFY LOCAL COUNTERPARTS WITH WHOM BUSINESS CAN COMFORTABLY BE CONDUCTED. SOME MISSION PARTICIPANTS CLEARLY HAD TRADING RATHER THAN INVESTMENT IN MIND AND THEREFORE IT IS HARD TO KNOW HOW FAR THEY ADVANCED THEIR COMPANY'S GOALS THROUGH PARTICIPATION IN THE MISSION.

4. IMPACT ON POLICY: MOST IMPORTANTLY, INVESTMENT MISSIONS CAN EFFECT POLICY CHANGE AND HAVE INFLUENCE ON LOCAL BUSINESS INITIATIVES. THE PRESENCE OF AN INVESTMENT TEAM IN THE COUNTRY WAS AN INDICATION THAT THE COUNTRY'S INVESTMENT CLIMATE WAS BECOMING MORE FAVORABLE. POLICY MAKERS WERE THEREFORE ENCOURAGED TO MOVE AHEAD WITH REFORMS TO IMPROVE THE LOCAL ECONOMY.

5. THE MISSION DID AN EXCELLENT JOB OF REINFORCING THE REALITY THAT GHANAIAN LAWS AND REGULATIONS, AND THE WAY THEY ARE APPLIED, HAS A MEASURABLE IMPACT ON WHETHER FOREIGN INVESTORS WILL CHOOSE GHANA OVER OTHER POSSIBLE INVESTMENT-SEEKING COUNTRIES. A NUMBER OF REFORMS WERE MADE AFTER A COUPLE OF FOREIGN INVESTMENT MISSIONS, INCLUDING THE 1991 AID/OPIC MISSION TO GHANA. FOR EXAMPLE, SOME CUMBERSOME IMMIGRATION REGULATIONS WERE DISCONTINUED. THE GHANA INVESTMENT CODE WAS REVISED AND IS AWAITING GAZETTING BY THE ATTORNEY-GENERALS. IMPORT TRADE HAS SEEN FURTHER LIBERALIZATION AS DUTIES AND TAXES ON SOME ITEMS HAVE BEEN ABOLISHED. FOREIGN EXCHANGE RATES ARE NOW PRIMARILY MARKET DETERMINED AS THE BANK OF GHANA HAS RELAXED ITS REGULATIONS IN THAT AREA. THE GOVERNMENT OF GHANA IS DISCUSSING FLOATING SHARES OF SOME VIABLE STATE OWNED ENTERPRISES (SOES) ON THE GHANA STOCK EXCHANGE TO ATTRACT FOREIGN CAPITAL. THE PRIVATE SECTOR NOW SEES THE NEED TO STRENGTHEN THEIR ASSOCIATIONS TO PROVIDE BETTER SERVICES TO BOTH LOCAL

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AND FOREIGN ENTREPRENEURS AND TO INFLUENCE THE FORMULATION OF GOVERNMENT ECONOMIC POLICIES.

6. STRENGTH AND WEAKNESSES: WHILE THE ABOVE ACTIVITIES ARE ATTRIBUTABLE TO A NUMBER OF FACTORS, THE INVESTMENT MISSION PLAYED A CATALYTIC ROLE. NEVERTHELESS THERE IS ROOM FOR SUBSTANTIAL IMPROVEMENT IN THIS JOINT A.I.D. - OPIC PROGRAM. THE PROGRAM'S OBJECTIVES NEED TO BE CLARIFIED TO INCLUDE ITS EDUCATIONAL AND POLICY CHANGE ASPECTS. INDEED, IF THE SUCCESS OR FAILURE OF THE MISSION IS TO BE DETERMINED SOLELY BY THE NUMBER OF INVESTMENTS GENERATED, THEN THE MISSION DID NOT SUCCEED. THE PRE-MISSION RECONNAISSANCE VISIT IS VERY IMPORTANT TO THE ULTIMATE SUCCESS OF THE MISSION. RECON VISITS NEED TO BE CLOSELY COORDINATED WITH THE USAID MISSION ESPECIALLY IF WE WANT TO MAXIMIZE THE POTENTIAL POLICY CHANGES THAT MAY RESULT. THIS REQUIRES THAT THE RECON TEAM BE FAMILIAR WITH THE USAID'S PRIVATE SECTOR DEVELOPMENT STRATEGY. THE TEAM NEEDS TO SPEND CONSIDERABLE TIME WITH GHANAIAN PRIVATE AND PUBLIC SECTOR LEADERS WHOSE DIRECT SUPPORT AND INVOLVEMENT IS CRITICAL TO THE SUCCESS OF THE MISSION. WE BELIEVE THAT THESE MISSIONS SUCCEED ONLY WHEN THE GHANAIS HAVE A "SENSE OF OWNERSHIP" FOR THEM.

7. AN ARGUMENT CAN PROBABLY BE MADE THAT MORE TIME AND EFFORT SHOULD BE DEVOTED TO FEWER, STRATEGICALLY DETERMINED MISSIONS AS OPPOSED TO TRYING TO BLANKET AFRICA WITH INVESTMENT MISSIONS THAT DON'T GENERATE INVESTMENTS. INVESTMENT MISSIONS MAY NOT ALWAYS GENERATE THE EXPECTED RESULTS IN THE SHORT RUN. WHEN THIS HAPPENS, SOME MISSION PARTICIPANTS AS WELL AS THEIR LOCAL COUNTERPARTS BECOME DISAPPOINTED. IN THE CASE OF THE OPIC MISSION, SOME OF THE PARTICIPANTS WERE DISAPPOINTED SINCE THEY COULD NOT FIND SUITABLE INVESTMENT PROPOSALS TO CONSIDER.

8. THE ROLE OF MULTILATERAL AGENCIES: THE WORK OF MULTILATERAL AGENCIES SUCH AS IPC, APDB, APDF THE AFRICA GROWTH FUND AND FIAS, TO SUPPORT INVESTMENT EFFORTS IN GHANA'S PRIVATE SECTOR SEEMS TO BE VERY LIMITED, AS THE GHANA INVESTMENT CENTRE ATTRIBUTES THIS TO THE LOW LEVELS OF CAPITALIZATION OF MOST PRIVATE COMPANIES

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MAKING IT DIFFICULT FOR THEM TO ATTRACT INVESTMENT FINANCING. PIAS AND APDF WILL BE INVOLVED IN ACTIVITIES UNDER THE AID-SPONSORED GHANA TRADE AND INVESTMENT PROGRAM (TIP).

9. LESSONS LEARNED: IT IS SUGGESTED THAT, PRIOR TO THE VISIT OF AN INVESTMENT MISSION, OPIC PROVIDE POTENTIAL PARTICIPANTS WITH INFORMATION ON VIABLE GHANAIAN INVESTMENT PROPOSALS. GHANAIAN ENTREPRENEURS SHOULD ALSO BE PROVIDED WITH PROFILES OF POTENTIAL U.S. INVESTORS. THIS WILL ENABLE BUSINESS CONSULTATIONS TO TAKE PLACE BETWEEN INTERESTED U.S. INVESTORS AND THEIR LOCAL COUNTERPARTS PRIOR TO THE MISSION.

10. OTHER BILATERAL AGENCIES: INVESTMENT MISSIONS ORGANIZED BY OTHER BILATERAL AGENCIES TO GHANA FOLLOW THIS PROCEDURE. COMPANIES ARE MATCHED, PROFILES ARE EXCHANGED AND CONSULTATIONS INITIATED BETWEEN COMPANIES PRIOR TO THE VISIT OF A FOREIGN INVESTMENT TEAM TO GHANA. THIS METHOD SAVES TIME FOR THE MISSION PARTICIPANTS BUT IT REQUIRES THAT OPIC DEVOTE MORE OF ITS TIME PREPARING FOR AND ORGANIZING THE INVESTMENT MISSION.

11. FOLLOW-UP ACTIVITIES: FOLLOWING-UP AFTER THE INVESTMENT MISSION LEAVES COUNTRY IS ANOTHER CRITICAL AREA THAT DESERVES FURTHER ATTENTION. OPIC NEEDS TO DEVELOP A REGULAR, FORMAL REPORTING SYSTEM ON THE STATUS OF PENDING INVESTMENTS. THIS REPORT -- PROVIDED MONTHLY OR ONCE EVERY TWO MONTHS -- MUST BE FACTUAL AND FOCUSED ON THE INVESTMENT PROCESS ITSELF. ARE THERE ROADBLOCKS? ARE THERE PUBLIC POLICY ISSUES THAT ARE PREVENTING THE INVESTMENT FROM OCCURRING? WE ARE NOT INTERESTED IN REPORTS ON THE "PENDING" RESULTS OF "POTENTIAL" INVESTMENTS. SUCH REPORTS INFLATE EXPECTATIONS AND USUALLY ARE WILDLY INACCURATE. REGARDING FOLLOW-UP ACTION, EMBASSY OFFICIALS MET WITH REPRESENTATIVE OF NINE (OF THE 25 PARTICIPATING U.S.) COMPANIES DURING FOLLOW-UP VISITS TO GHANA. THE EMBASSY ASSISTED WITH INFORMATION TO SEVERAL COMPANIES THAT FOLLOWED-UP THE MISSION WITH INQUIRIES. ECON/COMMERCIAL OFFICER CALLED UPON OPIC OFFICIALS WHILE IN THE U.S. IN JUNE TO DISCUSS OTHER FOLLOW-UP OPPORTUNITIES.

TO : PHONE NO. : 0017835247668
FROM : LABADI BEACH HOTEL

NOV. 9, 1992 8:09AM P 6
PHONE NO. : 772520

UNCLASSIFIED

3

IN SUM, WE FIND A TRADE AND INVESTMENT MISSION TO BE A
USEFUL ECONOMIC DEVELOPMENT TOOL WHEN DONE PROPERLY.
WHILE THIS INITIAL INVESTMENT MISSION TO GHANA WAS
POSITIVE WE FEEL THAT A MORE PROFESSIONAL APPROACH --
ONE WHERE OPIC FOCUSES ON BETTER PREPARATION AND FOLLOW-
UP -- WILL GENERATE MORE U.S. INVESTMENT IN GHANA.
BROWN#

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Africa Missions Marketing Strategy and Procedures

TOPIC

I. RECONNAISSANCE

Before Departure

- Collect Studies and Country Reports
- Identify Target Industry Sectors
- Embassy Cable Announcing Recon **
- Draft Brochure Text for Embassy Clearance
- Develop Workplan for Interns and Rachel
- Identify Target Dates for Mission

During Reconnaissance (for staff in Washington)

- Draft Press Release Announcing Mission **
- Develop Multipliers for Each Industry Sector
- Develop Industry Targeted Lists for Direct Mail Campaigns
- Develop Multipliers and Lists that are Country-Specific
- Develop Industry/Country Multipliers in the USG
- Draft Industry Sector Fact Sheets **
- Draft Targeted Industry-Specific Letters for Direct Mail **
- Draft Zeder Letter

During Reconnaissance (in Africa)

- Clear Mission Brochure Text
- Collect Industry-Sector Specific Market Data for Fact Sheets
- Collect Project Profiles
- Collect List of Business Cards from Commercial Attaché
- Give Example of Fact Sheets to Commercial Attaché
- Clear Mission Dates with Ambassador

II. POST-RECONN MARKETING

First Phase: Launching the Mission

- Complete Trip Report
- Draft Marketing Strategy **
- Action Memo for Final Clearance for Mission **
- Cable Embassy for Mission Concurrence **
- Thank You Letters to Embassy and Africans Met on Reconn. **
- Secure Final Clearance for Mission Dates
- Meet with African Ambassador in Washington
- Obtain Business Cards from African Embassy
- Clearance for Mission Dates from African Ambassador **
- Clear and Print Brochure
- Clear and Send Mission Announcement Press Release
- Clear and Send Zeder Letter mass mailing to Africa List

Second Phase: Administrative and Technical Support

- Set Up Tracking Form (Excel Spreadsheet)
- Set Up Filing System
- Create Easy Access Marketing Materials System (General Information, Fact Sheets, etc.)
- Create an Application Form **
- Create a Faxable Brochure **
- Create Fax Cover Sheets
- Draft Participant Information Sheets **
- Order Paper, Materials, Flag Pins for the Mission
- Secure Flight Reservations
- Program Embassy and USAID numbers into Fax Machine

Third Phase: Marketing and Outreach

- Work with OPIC Insurance & Finance Officers for Leads
- Work with Africa Organizations for Leads
- Tap into USG Resources for Leads and Mailing Lists (e.g. Commerce Desk Officers, Bureau of Mines International Section, etc.)
- Leverage Trade Associations (get Mission announced in Newsletter or have them do a mailing to their membership)
- Use Africa Specific Publications to Find Leads
- Collect and market Project Profiles
- Market Procurement Opportunities (from TDP, AfDB, and IBRD)
- SIC code Mailings
- Prepare a List of Hot Leads for ID/VP and Front Office to follow-up
- Enlist Support of African Ambassador to Contact Hot Leads as Well
- Host a Reception for Recruiting
- Attend Industry and Country Specific Events to leverage marketing efforts beyond Washington

Fourth Phase: Budgeting and Logistics

- **Send Budget Cable to Commercial Officer ****
- **Determine Chair and OPIC Staffing for the Mission**
- **Draft Mission Schedule and Clear with Embassy ****
- **Request an Appointment Schedule for Mission Chair**
- **Get Visas**
- **Draft Briefing Book**
- **Produce and Assemble Briefing Book**
- **Produce Mission Chair Briefing Book**

III. MISSION

Pre-Departure

- **Final Meeting with A.I.D. to go over recruitment results**
- **Final Meeting with African Ambassador to present recruitment results**
- **Send Travel Cable ****
- **Get Shots**
- **Draft and Clear Travel Orders**
- **Mail Briefing Books**
- **Assemble Bio Books**
- **Pack Missions Officers Supply Boxes**
- **Create A Rooming List with Arrival Information (Excel Spreadsheet)**
- **Draft Dummy Press Releases ****

In-Country Advance Trip

- **Go over and Complete Every Participants Appointment Schedule**
- **Develop Arrival and Departure Transport Schedule to escort Participants**
- **Confirm Missions Chair's Schedule**
- **Assign Control Officer to Mission Chair**
- **Set Up Control Room and Hospitality Suite**
- **Arrange Dispatcher and Transport for Individual Meetings**
- **Set Up Project Proposal File in Control Room for Participants to Read**
- **Confirm Room Assignments**
- **Go Over Billing Procedures with Hotel Manager**
- **Confirm Budgeting Procedures with Embassy**
- **Confirm and Advance Press Conference with USIS Officer**
- **Confirm Photographer for all Events, esp. State Meeting**

IV. POST MISSION

Wrap-Up

- **Draft and Clear Trip Report**
- **Mission Wrap-Up Cable to Posts ****
- **Debrief A.I.D.**
- **Prepare public version of Trip Report for queries.**
- **Thank You to US Ambassadors and Embassy Staff ****
- **Thank You to Mission Participants ****
- **Thank You to African Government Leaders ****
- **Thank You to African Business Executives**
- **Thank You to OPIC staff, USG and NGO Support of Mission**
- **Cable Requesting DeObligation of Budget Funds ****
- **Draft and Send Follow-Up Questionnaire to Participants**
- **Send Trip Report to US Embassy, African Ambassadors and relevant USG agencies.**

SAMPLE - BRIEFING BOOK
TABLE OF CONTENTS

1. **INVESTMENT MISSION SCHEDULE**
The final mission schedule, as well as individual business appointments will be available upon arrival in Lusaka.

2. **MAPS, TRAVEL NOTES, AND GENERAL INFORMATION**
 - General Information

 - Travel Notes

 - Map of Africa

 - Map of Zambia

3. **KEY U.S. GOVERNMENT CONTACTS**
 - U.S. Government Officials in the United States

 - U.S. Government Officials in Zambia

4. **KEY GOVERNMENT OF ZAMBIA CONTACTS**
 - Officials of the Government of Zambia

 - Zambian Officials in the United States

5. **U.S. GOVERNMENT PUBLICATIONS**
 - U.S. Department of State, Bureau of Public Affairs, Background Notes, (May, 1991).

 - U.S. Department of Commerce, International Trade Administration, Foreign Economic Trends and Their Implications for the United States, (July, 1991).

 - U.S. Department of State, Investment Climate Reports, "Zambia," (January, 1992).

- U.S. Department of Commerce, International Trade Administration, Zambia-Commercial Activity Report FY 93 (March 11, 1992).

6. ZAMBIAN GOVERNMENT PUBLICATIONS

- Republic of Zambia, "Economic Perspectives: Building a Firm Base." (1992).
- Zambia Tourist Board promotional materials (in color folder).

7. ECONOMIC REPORTS

- "Up from Poverty: Advancing Economic Development in Zambia." The Heritage Foundation: Backgrounder (February 27, 1992).
- "Zambia Implements Free Market Economy." Africa Investment Monitor (March 16-31, 1992).
- "Zambia: Economic and Financial Policy Framework, 1992-1994." The IMF and World Bank, (February 27, 1992).

8. INVESTMENT REGULATIONS

- Investment Guidelines.
- 1991 Investment Act

9. PRIVATIZATION

- The 1992 Privatization Act.
- List of Parastatals Scheduled for Privatization.

10. RELEVANT ARTICLES

- "Zambia Presents Model for Africa." The Atlanta Journal (May 31, 1992).
- "With Pride Now and Economic Pain Ahead..." The New York Times (November 3, 1991).
- "Zambia's Democratic Shock to Africa." The New York Times (November 5, 1991).

OPIC
Overseas
Private
Investment
Corporation

"SAMPLE -
FOLLOW-UP"



1615 M Street, N.W.
Washington, D.C. 20527
(202) 457-7200
FAX (202) 331-4234

January 3, 1992

Dear

As a follow-up to the April 1991 OPIC/A.I.D. investment mission to Southern Africa, I am contacting you to offer my assistance with your potential investments in the region. Specifically, OPIC and A.I.D. are interested in advancing the likelihood of direct investment by your company by providing continuing advisory services.

By offering follow-up assistance, we hope to help you maximize the benefits of your participation in the investment missions program. For your information, we have enclosed a recent Washington Post article, which refers to the recent OPIC/A.I.D. West Africa mission, and an upcoming investment missions announcement. Although specific dates and countries have not yet been determined, please note that OPIC and A.I.D. are co-sponsoring a mission to East Africa in May 1992.

In addition to providing advisory services to mission participants, OPIC and A.I.D. are interested in tracking mission results. Therefore, we have enclosed a questionnaire concerning your experiences on the mission which we request that you complete and return by mail or fax (202) 833-3375. Your responses will be useful to OPIC and A.I.D. staff as we plan future investment missions to Africa.

Thank you for your cooperation and we look forward to receiving your completed questionnaire. Should you have any questions, please contact me directly at (202) 457-7128.

Sincerely,

Eric P. Luhmann
Associate
Investor Services

Enclosures

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OVERSEAS PRIVATE INVESTMENT CORPORATION
UPCOMING INVESTMENT MISSIONS

OPIC conducts periodic investment missions to developing countries offering excellent investment opportunities for American businesses. Missions are designed to introduce senior U.S. business executives to key business leaders, potential joint-venture partners and high-ranking government officials in the host country. Since the program's inception in 1975, representatives from more than 1,000 U.S. firms have participated in 72 missions to 70 developing countries.

MICRONESIA (March 8-15, 1992)

OPIC will be leading a multi-island mission to the Federated States of Micronesia and the Republic of the Marshall Islands. By including several specific stops with a variety of developed and potential business sectors, OPIC will maximize mission participants' exposure to excellent investment opportunities in the region. Contact Peter McKenzie at (202) 457-7118.

EGYPT AND TUNISIA (April 21-30, 1992)

OPIC will lead U.S. investors to Egypt and Tunisia to investigate business opportunities in these important North African nations. Proximity to European markets, as well as new International Monetary Fund standby agreements, foreign debt reduction, and revised investment codes all point toward improved investment climates for these countries in 1992. Contact John Hereford at (202) 457-7088.

EAST AFRICA (May 1992)

OPIC and the Agency for International Development (A.I.D.) will co-sponsor this investment mission to East Africa. This region's centuries-old commercial links between the Middle East, Europe and the rest of Africa offer tremendous opportunities for investment and business development. Contact David Miller at (202) 457-7107, or Anna Crabtree at (202) 457-7024.

GROWTH TRIANGLE (May 1992)

Encompassing Singapore, Malaysia's state of Johor, and Indonesia's Riau Province, the attractiveness of the "growth triangle" lies in the mix of land, labor, infrastructure and skills. OPIC's investment mission seeks to put interested U.S. corporations on the fast track to establishing manufacturing operations. Contact Christopher Meyer at (202) 457-7092.

ESTONIA, LATVIA AND LITHUANIA (Summer 1992)

OPIC will organize investment missions to each of these Baltic nations. Re-emerging as sovereign states after 51 years of Communist domination, these countries offer a strategic location, an educated and highly motivated workforce, and an entrepreneurial tradition. Contact James Gale at (202) 457-7142.

SBA	The Small Business Administration is working in close cooperation with OPIC on these investment missions. The first ten qualified small businesses to be accepted on a mission by OPIC are eligible to receive up to \$750 in financial assistance from SBA. SBA also offers loans to cover participant expenses. For more information, please contact Lewis E. Brandt of SBA's Office of International Trade. Phone: (202) 205-6700. Fax: (202) 205-7272.
------------	--

 I am interested in learning more about OPIC's upcoming Investment Missions.

Please send me more information about the following mission(s):

MICRONESIA

EGYPT AND TUNISIA

EAST AFRICA

GROWTH TRIANGLE

THE BALTIC NATIONS

LATIN AMERICA AND THE CARIBBEAN

Name _____

Title _____

Company _____

Address _____

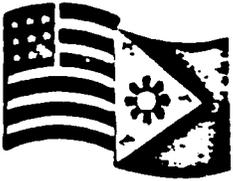
City _____ State _____ Zip _____

Phone _____ Fax _____

Description of Business _____

I received this form from: _____

Please complete, detach and return to Investment Missions, Overseas Private Investment Corporation, 1615 M Street, NW, Washington, DC, 20527, or Fax to (202) 223-3514.



**U.S.-Philippine
Business Committee**

Appendix 9

International Division
U.S. Chamber of Commerce
1615 H Street, N.W.
Washington, D.C. 20062

Telex: RCA 248302
Cable: COCUSA
Tel: (202) 463-5668
Fax: (202) 463-3114

Chairman
Maurice R. Greenberg
Chairman
American International Group, Inc.

Vice Chairman
James D. Robinson III
Chairman & CEO
American Express Company

General Counsel
Davis R. Robinson
LeBoeuf, Lamb, Leiby & MacRae

Executive Director
Mark Van Fleet

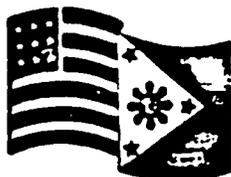
Director
John J. Callebaut

OCTOBER 1992 BUSINESS MISSION

BRIEFING BOOK

TABLE OF CONTENTS

1. DELEGATION ROSTER & LIST OF ACCOMPANYING STAFF
2. MISSION SCHEDULE
3. PHILIPPINE ECONOMY & ECONOMIC ISSUES
4. NEW FOREIGN INVESTMENT LAW (1991)
5. POLITICAL OVERVIEW
6. U.S. ECONOMIC ASSISTANCE & MAI
7. SELECTED U.S. GOVERNMENT PROGRAMS
8. BIOGRAPHIES
9. MISSION MEMBER CORPORATE PROFILES
10. MAPS
11. PHILIPPINE ENERGY PLAN, 1992-2000
12. SUBIC BAY BACKGROUND INFORMATION
13. PRESS COVERAGE



**U.S.-Philippine
Business Committee**

International Division
U.S. Chamber of Commerce
1615 H Street, N.W.
Washington, D.C. 20062

Telex: RCA 248302
Cable: COCUSA
Tel: (202) 463-5668
Fax: (202) 463-3114

OCTOBER 1992 BUSINESS MISSION

Chairman
Maurice R. Greenberg
Chairman
American International Group Inc

Vice Chairman
James D. Robinson III
Chairman & CEO
American Express Company

General Counsel
Davis R. Robinson
LeBoeuf Lamb, Leiby & MacRae

Executive Director
Mark Van Fleet

Director
John J. Callebaut

Maurice R. Greenberg
Chairman, American International Group
Chairman, U.S.-Philippine Business
Committee

Elliot L. Richardson
Special Representative of the President
for the Multilateral Assistance Initiative

MISSION LEADERS

MISSION MEMBERS

THE AES CORPORATION
Sarah Slusser
Paul Hanrahan

AIR & WATER TECHNOLOGIES CORP.
Tadahiko Ono

ALLIANCE CAPITAL MANAGEMENT
Jean Van De Walle

ALTRESKO INTERNATIONAL, INC.
William R. Williams

AMERICAN INTERNATIONAL GROUP
Aloysius Colayco
Jaime Gonzalez

AMOCO CHEMICALS FAR EAST LTD
Alex Chen

ANIXTER SINGAPORE PTE LTD
Jeffrey K. Stanley

ARCO ASSET MANAGEMENT
David Bailey

BELL HELICOPTER ASIA PTE LTD
Michael K. McWberter

CALTEX PETROLEUM CORP.
William S. Tiffany
Eugene H. Wade

CH2M HILL INTERNATIONAL, LTD
Shih-Liang Tu

COCA COLA FAR EAST LTD
Peter J. Herd

GTE/HAWAIIAN TELEPHONE CO. INC.
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Ron Koza

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Frank E. Bowen

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Vince Perez
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**MCDONNELL DOUGLAS HELICOPTER
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Robert A. Pope

MERRILL LYNCH ASSET MANAGEMENT
Grace Pineda
Kenneth Chiang

MISSION ENERGY COMPANY
James S. Thomson
Robert C. Brown

**MODERN CONTINENTAL
CONSTRUCTION**
Roger A. Strong

MOTOROLA COMMUNICATIONS INTL
Richard Serikaku

PACIFIC CENTURY LTD
Marwyn S. Samuels

RYDER AIRLINE SERVICES
Howard La Grange
Jim Schultz

**SCHAFFER CULLEN CAPITAL
MANAGEMENT**
Peter M. Ham

STRATEGIC ASSET MANAGEMENT
William M. Valtos, Jr.

TELEDYNE INDUSTRIES INTL, INC.
Thomas Joseph Hanley, Jr.

TEXACO COGENERATION & POWER CO.
James C. Houck
Ernie Megginson

TWENTIETH CENTURY INVESTORS
Mark Kopinski

US WEST INTERNATIONAL
Alan Khoo

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NEWS BULLETIN

VOLUME 1, NUMBER 1
OCTOBER 1992

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WELCOME TO THE U.S. - AFRICA CHAMBER OF COMMERCE'S first issue of its Bulletin. The Bulletin is intended to provide timely information on business developments throughout the African continent. Its success will ultimately depend on the input and feedback of the members of the Chamber and our other readers. As in all Chamber activities, you are encouraged to participate. Articles, identification of topics for subsequent issues, success stories of western companies doing business in Africa or African companies doing business in North America, comments on format, notice of upcoming events or noteworthy publications -- these are just a sampling of ways in which you can help make the Bulletin an important news organ for companies, individuals and others with an interest in trade developments between the United States and countries in Africa. I hope that you enjoy this first issue. I look forward to your participation in the Bulletin's ongoing activity.

Sincerely,

Terence P. Stewart
Editor

Appendix 11

Illustrative Measures to Promote Self-Sustaining Investment Missions to Africa

1. Promote development of business associations in Africa. Possibly model efforts after the U.S.-Angola Chamber of Commerce, backed principally by U.S. banks and other firms doing business in that part of Africa.
 2. Invite U.S. industry and trade associations to participate in "reverse" business development programs and training sessions held in the U.S. for African participants.
 3. Invite the same type of industry and trade groups to participate in selected business missions to Africa.
 4. Encourage U.S. firms doing business in Africa to establish some affiliation in support of common interests and concerns. One possible model is the U.S.-Asian Chamber of Commerce. Another is the newly formed U.S.-Africa Chamber of Commerce in New York, an initiative of the Meridien Bank, the United Bank of Africa and other private business interests.
 5. Utilize the leverage of Afro-American leaders to encourage U.S. companies and associations to arrange focussed business missions, possibly product specific visitations.
 6. Require OPIC to establish a time table and a strategy for the phase-out of A.I.D.-funded missions, within five years time, and assumption of these responsibilities by privately funded organizations.
- 

Draft Agenda for Workshop on Trade and Investment, U.S.-Africa

- (1) **A.I.D. Mandate Under the DFA**
 - **Bureau Policies**
 - **AFR/ONI Policies**
- (2) **Current status and trends**
 - **U.S. investments in Africa**
 - **Foreign investment in Africa**
 - **U.S. trade with Africa**
 - **Foreign trade with Africa**
- (3) **Impediments**
- (4) **Opportunities**
 - **Focus on Southern Africa**
 - **Focus on East Africa**
 - **Focus on West Africa**
- (5) **Organizational Resources Available**
 - **A.I.D.**
 - **OPIC**
 - **ExIm Bank**
 - **Other U.S.G. facilities (for example, TDP, DOC, DOA)**
 - **Foreign resources**
 - **Private groups, banks, companies, chambers of commerce**
- (6) **Role of**
 - **Investment/business missions**
 - **Feasibility studies**
 - **OPIC**
 - **APDF**
 - **TDP**
 - **Other**
 - **Other initiatives (for example, export processing zones)**
- (7) **Implications for A.I.D. programming**