

**OVERSEAS PRIVATE INVESTMENT CORPORATION
MINUTES OF THE OPEN SESSION OF THE JUNE 23, 2011
BOARD OF DIRECTORS MEETING**

Directors:

Elizabeth L. Littlefield, President & CEO, Overseas Private Investment Corporation, Chair
Ambassador Demetrios J. Marantis, Deputy United States Trade Representative, Office of the
United States Trade Representative
Seth D. Harris, Deputy Secretary of Labor, U.S. Department of Labor
Francisco J. Sánchez, Under Secretary for International Trade, U.S. Department of Commerce
Robert D. Hormats, Under Secretary for Economic, Energy and Agricultural Affairs,
U.S. Department of State
Samuel E. Ebbesen, Chief Executive Officer, Omni Systems, Inc.
Patrick J. Durkin, Managing Director, Barclays Capital
Dianne I. Moss, President and Owner, Cartera Investment Corporation
Michael J. Warren, Principal & Managing Board Member, the Albright Stonebridge Group
Kevin G. Nealer, Principal and Partner, The Scowcroft Group

Other Attendees:

Ben Hubbard, Director, DCA Program, U.S. Agency for International Development
Carol M Mates, Attorney Advisor, U.S. Agency for International Development
Jai Motwane, Director for Services and Investment, Office of the U.S. Trade Representative
Michael C. Fuchs, Team Leader, Trade and Project Finance, U.S. Department of Commerce
Karen F. Travis, International Economist, U.S. Department of Labor
Sharon H. Yuan, Deputy Assistant Secretary for Trade and Investment, International Affairs,
U.S. Department of the Treasury
Janet MacLaughlin, International Economist, U.S. Department of the Treasury
Thomas J. Walsh, Financial Economist, U.S. Department of State
Bradley Stilwell, Economic Officer, U.S. Department of State

Office of the President

Mimi Alemayehou, Executive Vice President
Matthew Schneider, Chief of Staff
Jacqueline Strasser, Deputy Chief of Staff and Senior Advisor to the President
Samir Mayekar, Deputy Chief of Staff

Office of the Chief Financial Officer

Allan Villabroza, Acting Vice President and Chief Financial Officer

Office of Investment Policy

John E. Morton, Vice President, Investment Policy
Mary S. Boomgard, Director, Environmental Group
Constance R. Tzioumis, Director, Labor and Human Rights Group
Berta M. Heybey, Director, Economic Impact Analysis
Patrick D. Carleton, Senior International Economist

Structured Finance

Robert B. Drumheller, Vice President, Structured Finance
Mary Mervenne, Director, Project Finance

SME Finance

James C. Polan, Vice President, SME Finance
Debra L. Erb, Managing Director, Housing Project Finance
Bruce D. Campbell, Director, Project Finance

Investment Funds

Jay L. Koh, Vice President, Investment Funds
William R. Pearce, Director, Private Equity
Colin Butnick, Director, Private Equity

Insurance

Rod Morris, Vice President, Insurance

Office of External Affairs

Judith D. Pryor, Vice President, External Affairs
Larry Spinelli, Director of Public Affairs
James W. Morrison, Special Assistant (Congressional and Intergovernmental Affairs)

Department of Legal Affairs

Robert C. O'Sullivan, Acting Deputy General Counsel, and Associate General Counsel,
Insurance and Claims
Merlin Liu, Associate General Counsel, Direct Loans and Housing Finance
Harriette H. Lopp, Assistant General Counsel
Daniel M. Horrigan, Assistant General Counsel
Connie M. Downs, Corporate Secretary

Office of Administrative Services

Matthew Schneider, Acting Vice President, Office of Administrative Services

MEETING CALLED TO ORDER

Ms. Littlefield called the meeting to order at 10:09 AM on Thursday, June 23, 2011.

A. PRESIDENT'S REPORT

Ms. Littlefield called on Ms. Downs to present the report on the Public Hearing in Conjunction with each Board meeting. Ms. Downs reported that OPIC published notice of its Public Hearings in conjunction with the June 2nd and June 23rd Board meetings in *The Federal Register*. No requests were received to speak or submit copy for the record, so the hearings were not held.

Ms. Littlefield then presented her President's Report, a copy of which is incorporated into these minutes as Attachment A.

B. APPROVAL OF MINUTES

Ms. Littlefield turned to the approval of the minutes of the Open Session of the March 10, 2011 meeting. Ms. Moss moved and Mr. Warren seconded the motion, and by a unanimous voice vote the minutes were approved by the Board.

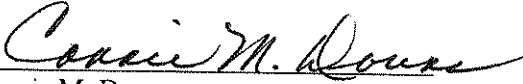
C. CONFIRMATIONS

Ms. Littlefield moved to the confirmation of Jay L. Koh as Vice President, Investment Funds. Mr. Ebbesen moved and Ms. Moss seconded the motion, and by a unanimous voice vote the following resolution was approved by the Board.

BE IT RESOLVED, that the President's appointment of Jay L. Koh as Vice President, Investment Funds, be and hereby is confirmed.

The meeting was closed to the public at 10:23 AM.

Respectfully submitted,


Connie M. Downs
Corporate Secretary

PRESIDENT'S REPORT

By
Elizabeth L. Littlefield
President & Chief Executive Officer
June 23, 2011

For the past six months, we have watched with awe as the citizens of countries in the Middle East and North Africa have risen up to demand their liberty and the right to determine their own future. Two leaders have stepped down, and more may follow; we still don't know the end of the story. But what we do know is that our swift and responsible actions now can help shape that future and the U.S. role in it. As I discussed in March, I can think of no tool better suited to providing opportunities and creating revenue and jobs, and projecting a new kind of partnership between the U.S. and the Arab world, than U.S. business investments supported by OPIC.

Two years ago, President Obama announced in Cairo that the United States would broaden its engagement with the MENA region based on mutual interests and mutual respect, and OPIC responded. The President asked us to focus on economic opportunities and job creation, and OPIC immediately issued a call for proposals to manage private equity investment funds that would promote the growth of technology in Muslim-majority countries. Less than a year later, you, our Board members, approved nine funds including \$305 million with four investment funds specifically targeting MENA. The Cairo that President Obama spoke to on that day would be transformed in the two years to come, and the urgency of creating those economic opportunities and jobs has become even more acute. The private sector's crucial role is widely accepted. As President Obama said in a recent speech on MENA, "...we need to focus on trade, not just aid; on investment, not just assistance... and we're going to start with Tunisia and Egypt." And once again, OPIC is responding.

In this same speech, President Obama announced that OPIC would provide up to \$1 billion in new financing for investments in infrastructure and job creation in Egypt. This financing will be provided in guarantees and/or loans to Egyptian banks or Egyptian government enterprises, whereby OPIC will stipulate the uses of the funding and ensure that all investments are consistent with our social, environmental, and U.S. effects policies and statute.

Separately, on March 17, Secretary of State Hillary Clinton announced OPIC will provide up to \$2 billion in financial support to catalyze private sector investment across the Middle East and North Africa region. Since that announcement, OPIC staff has worked vigorously to identify opportunities to encourage such investment into the region through its range of financing and risk mitigation tools.

President Obama met with King Abdullah II of Jordan on May 17 where they discussed the part of this \$2 billion that OPIC will aim to provide for American investments in Jordan, mainly in infrastructure. The twin loan guarantee for Jordanian and Egyptian small and medium-sized enterprises is one of the investments which we will consider today.

The role OPIC is playing as a responsive, sharp and nimble tool for foreign policy is a continuation of the role that OPIC has filled for many years. In Central and Eastern Europe, twenty years ago, OPIC backed the new democracies with over \$3.8 billion in investments, spanning nearly 150 projects, in the first five years after the Berlin Wall fell. In Rwanda, in the aftermath of the Genocide, OPIC provided insurance to the very first U.S.

investor in Rwanda after the conflict ended, investing in a tea plantation that created jobs and is still thriving today. Looking forward, on July 9th of this year, the Republic of South Sudan will be presented as a newly-independent nation after a tumultuous history which has included Africa's longest-running civil war. OPIC is fully engaged in the inter-agency groups addressing U.S. interests in Sudan and South Sudan, and we aim to open for business in South Sudan soon after its independence.

Quickly mobilizing OPIC to respond to the complex economic challenges in the Middle East and North Africa has been an unforeseen priority, and yet we have continued to make progress on our other regional priorities, including Sub-Saharan Africa and Southeast Asia, as well as our sectoral focus on renewable resources. Each of these priorities is manifest in the projects reviewed in our Board meeting two weeks ago and today.

In the renewable resources sector, we are continuing to progress towards our goal of \$420 million in commitments for renewable resources. While these deals are complex and few make it through OPIC's evaluation, structuring and negotiating, we have a high degree of confidence in a number of deals in the pipeline that we hope to bring to the Board for consideration by the end of the fiscal year. In addition to these projects, OPIC successfully closed the Global Renewable Resources Call for Proposals for fund managers investing in businesses promoting renewable energy and resources. You may remember that I announced this call last December at the U.N. Climate Change Conference in Cancun in response to President Obama's financial commitment at Copenhagen to help developing countries reduce their greenhouse gas emissions and adapt to the effects of climate change. OPIC's mobilization of these funds represents one of the largest initiatives by the U.S. Government to support this international effort to mitigate climate change, and the five funds that we bring before the Board today are a major part of that initiative.

In addition to the Renewable Resources Call, we recently closed our Impact Investing Call in which we invited proposals from funds, fund of funds, finance and hybrid vehicles actively pursuing impact investments. Impact investments are defined as investments that seek to generate both a financial return and a positive social and/or environmental impact. The 88 proposals we received in response, currently under review, are a testament to the burgeoning interest in applying private capital to generate social and environmental benefits and the welcome OPIC is receiving as an innovator and leader in this new sector.

As Board members, you know OPIC's biggest challenge is generating enough transaction volume and thus revenues with very limited staff, especially given the complexity of these transactions and the highly restrictive policies we apply. With \$29 billion in statutory capital, our current exposure of \$14 billion is simply not enough to generate the financial and development returns we need to deliver. We have to find a way to do more business in less time, using fewer resources. One strategy is to develop partnerships such as the Citibank framework agreement and also other forms of cooperation. Last month, OPIC signed a Master Cooperation Agreement with the IFC that establishes standardized finance documentation and procedures under which the IFC, OPIC, and nine other DFI signatories will cooperate with each other to promote co-financings. Through arrangements like this one OPIC will hopefully be able to leverage its resources while facilitating cooperation with its fellow DFIs around the world.

Finally, as discussed at our March Board meeting and again two weeks ago, I have recommended that we establish an ad hoc Board Committee on governance. I want to thank the six of you who volunteered to serve on that committee and especially Patrick Durkin who has agreed to serve as Chair of the Committee, Francisco Sanchez, who has agreed to serve initially as Vice Chair, Sam Ebbesen, Dianne Moss, Kevin Nealer, and Michael Warren. The committee has decided to focus on updating OPIC's by-laws, improving Board members'

introduction to OPIC, and Board communications, and will bring its recommendations to the full Board when we meet in the fall. In addition, over the next few months we will be offering Board members and public-sector liaisons briefings on OPIC's financial products and on OPIC policies.

In sum, I am pleased to report OPIC's contribution to the U.S. response to the Arab Spring, the good progress made on our regional and sectoral priorities, and the strategies undertaken to help us drive more business. The investments that we present to our Board members today are investments in a cleaner, greener economy for dozens of nations in Southeast Asia, the Middle East, and Sub-Saharan Africa. They are investments in the young entrepreneurs in MENA who may now have the opportunity to grow a small business and create good jobs. And they are investments in strengthening the critically important bonds between the United States and other nations.

This concludes my report.