

**OVERSEAS PRIVATE INVESTMENT CORPORATION  
MINUTES OF THE OPEN SESSION OF THE SEPTEMBER 15, 2016  
BOARD OF DIRECTORS MEETING**

**Directors:**

Elizabeth L. Littlefield, President & CEO, Overseas Private Investment Corporation, Chair  
Gayle Smith, Administrator, U. S. Agency for International Development  
Ambassador Robert W. Holleyman, II, Deputy U.S. Trade Representative  
Bruce Andrews, Deputy Secretary, U.S. Department of Commerce  
Nathan Sheets, Under Secretary, U.S. Department of the Treasury  
James M. Demers, President, Demers & Blaisdell, Inc.  
Todd Fisher, Global Chief Administrative Officer, KKR  
Roberto R. Herencia, President & CEO, BXM Holdings, Inc.  
Maxwell T. Kennedy, Director, Kennedy Enterprises  
Terry Lewis, Principal, LIA Advisors, LLC  
Deven Parekh, Managing Director, Insight Venture Partners

**Other Attendees:**

Matt Austin, U.S. Agency for International Development  
Paola Bobadilla, U.S. Agency for International Development  
Sara Rackoff, U.S. Agency for International Development  
Thomas Fine, Office of the United States Trade Representative  
Michael C. Fuchs, U.S. Department of Commerce  
Ryan Mulholland, U.S. Department of Commerce  
Karen Travis, U.S. Department of Labor  
Marina Best, U.S. Department of the Treasury  
Alyson McGee, U.S. Department of the Treasury  
Dorothy Mayhew, U.S. Department of State  
Nelson Reyneri, Board Designee (*via telephone*)

**OPIC Attendees:**

**Office of the President**

Cameron S. Alford, Chief of Staff

**Office of the Chief Financial Officer**

Mildred O. Callear, Vice President & Chief Financial Officer  
Allan Villabroza, Deputy Vice President and Treasurer

**Office of Investment Policy**

Merryl Burpoe, Acting Vice President  
Mary S. Boomgard, Managing Director, Environmental Impact Analysis Group

Lori Leonard, Managing Director, Economic & Development Impact  
Katherine Dunbar, Director, Social Assessment

**Structured Finance and Insurance Department**

Tracey L. Webb, Vice President  
Ruth Ann Nicastri, Managing Director  
Nancy Rivera, Managing Director  
Steven Smith, Managing Director  
Maria Goravanchi, Director  
Sudha Gollapudi, Associate Director  
Sara Marenno, Associate Director  
Christopher Shybut, Associate Director  
Cameron Miller, Associate  
Adam Dembling, Insurance Project Specialist  
Dairo Isomura, Senior Transaction Advisor  
Stephen Morel, Climate Finance Specialist

**Small and Medium Enterprise Department**

James C. Polan, Vice President  
Loren Rodwin, Managing Director  
Carla Chissell, Director

**Investment Funds Department**

Brooks Preston, Vice President

**Office of External Affairs**

Judith D. Pryor, Vice President

**Legal Affairs Department**

Kimberly Heimert, Vice President and General Counsel and Counsel to the Board  
Daniel Horrigan, Assistant General Counsel  
Shai Ingber, Assistant General Counsel  
Gavin McKeon, Assistant General Counsel  
Susan Nathan, Assistant General Counsel  
Suzanne Perry, Assistant General Counsel  
Steven Weinstein, Assistant General Counsel  
Catherine F. I. Andrade, Corporate Secretary

**Department of Management and Administration**

Michele Perez, Vice President, Department of Management and Administration

**Department of Human Resources Management**

Rita Moss, Vice President for Human Resources

## **MEETING CALLED TO ORDER**

Ms. Littlefield called the meeting of the OPIC Board of Directors (“Board”) to order at 2:05 PM. Ms. Littlefield acknowledged the participation by telephone of OPIC Board nominee Nelson Reyneri. She also welcomed newly appointed Director Bruce Andrews, and Michele Perez, the new Vice President for the Department of Management and Administration.

### **A. PRESIDENT’S REPORT**

Before presenting her President’s Report, Ms. Littlefield called on Ms. Andrade to report on the outcome of OPIC’s Public Hearing in conjunction with the September 15, 2016, Board meeting. Ms. Andrade reported that OPIC published notice of its Public Hearing in conjunction with today’s meeting in *The Federal Register*. No requests were received to speak or to submit copy for the record, so the hearing was not held.

Ms. Littlefield presented her President’s Report, a copy of which is incorporated by reference into these minutes as Attachment A. In closing, Ms. Littlefield noted the staff-driven effort to develop a corporate values statement, incorporated into these minutes at Attachment B.

### **B. TRIBUTE**

Ms. Littlefield introduced a tribute to former Board member Stefan Selig. Ambassador Holleyman moved and Ms. Lewis seconded the motion to approve the tribute, and by unanimous voice vote the following tribute was approved by the Board:

WHEREAS The Honorable Stefan Selig served as a Director of the Corporation from July 4, 2014;

WHEREAS his valuable leadership, counsel and guidance to the Corporation and his dedication to the objectives of the Corporation have earned him the esteem and respect of his fellow Directors and of the Corporation’s Management and staff; and

WHEREAS Mr. Selig’s service as a Director of the Corporation ended on July 8, 2016;

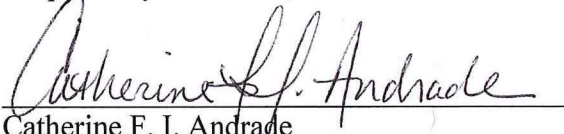
THEREFORE BE IT RESOLVED that this Board notes with regret the departure of Mr. Selig from the Board of Directors, and expresses to him the appreciation and gratitude of his colleagues and their high regard for him as a friend and associate.

### **C. APPROVAL OF MINUTES**

Ms. Littlefield turned to the approval of the minutes of the Open Session of the June 9, 2016, Board meeting. Mr. Herencia moved and Ms. Lewis seconded the motion to approve the minutes and by unanimous voice vote the minutes were approved.

Ms. Littlefield closed the meeting to the public at 2:32 PM.

Respectfully submitted,

A handwritten signature in cursive script that reads "Catherine F. I. Andrade". The signature is written in black ink and is positioned above a horizontal line.

Catherine F. I. Andrade  
Corporate Secretary

## PRESIDENT'S REPORT

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By  
Elizabeth L. Littlefield  
September 16, 2016

We are all keenly aware of the political calendar. We are definitely in a time of important transition. But this is far more than a transition from one Administration to another. We are in the middle of a major transition from one *era* to another, an era in which the private sector, business, is increasingly seen as a powerful force for good in addressing global challenges. It is OPIC's job to make that happen, along with all of you.

When OPIC was created, there were less than a handful of agencies doing any type of development finance. Today we have 30 or more agencies catalyzing private capital by providing finance in a self-sustaining, commercially-oriented manner. There is the core of 16 bilateral development finance institutions (DFIs) such as FMO [the Dutch development bank], CDC [the development bank of the United Kingdom] and another 14 development finance units within the multilateral development banks, such as the International Finance Corporation of the World Bank Group and the private sector lending operations of the Asian Infrastructure Investment Bank (AIIB). As you know, we have been doing a lot of work to coalesce the DFIs and show how this model has grown in importance.

We all know that back then development finance flows were a small fraction—in the single digits—of aid flows. What is less well known, and what we are working hard to point out, is that development finance flows are growing fast and on track to match or even surpass traditional aid by the OECD nations, which is around \$135 billion annually, by this time next year.

Leaders from the Sustainable Development Goals conference last September to the COP 21 climate change conference in December, and many since then, have been clear as a bell in stating that the world's problems cannot be solved without development finance. While aid is crucial and more is needed, many of the presidents and prime ministers whom several of us will meet in New York next week say that what they want most from the United States is business investment. They want it more than aid, advice or military support. President Ashraf Ghani of Afghanistan said at Camp David last year: "For my country, every \$1 of investment is worth \$20 of aid."

So considering those profound changes that have taken place, what are the changes we might expect over the next 10 years, over the course of the next Administration? Are there big things hiding in plain sight that could affect our work in development?

- We know that virtually all the indicators point to global poverty declining. But we also know that income inequality within many nations is going up. So there's a real possibility that trend will cause even more conflict between the haves and have-nots. Today one-third of OPIC's portfolio is in conflict-affected places. That may need to grow if we are to do our job.
- Emerging market corporations have been in a frenzy of debt issuance. Their debt levels more than quadrupled—nearly quintupled—in the past decade, from \$4 trillion to \$18 trillion. Debt repayments will jump by 40 percent in the next 2 years, just as they are facing a perfect storm of lower commodity prices, rising interest rates and slower growth. The IMF is warning of default risk. The head of sovereign ratings at Fitch was quoted as saying "It's a very strange time—the

credit is undoubtedly weakening but investors are still crowding in because there are so few places to find positive yields.” What could this mean for our portfolio? Are we prepared?

- Renewable energy prices are declining steeply (in Egypt, feed-in-tariffs for solar were slashed by nearly half year over year, to 8 cents per kilowatt-hour, and in Chile a solar power purchase agreement was just signed for 2.91 cents per kilowatt hour). Battery storage prices are falling dramatically. So we may well see poor countries leapfrogging to commit, as Costa Rica has done, to obtaining virtually 100 percent of their power from renewable sources. Or, we might see huge off-takers walking away from old expensive power-purchase agreements amid oversupply and gluts and bankruptcies.
- On transparency, whether we like it or not, technology is going to change the way we are held accountable. Already, environmental groups are using satellite data and drones to check on deforestation and catch wildlife poachers. It does not take much to imagine our Category A projects coming under that type of “eye in the sky” scrutiny.
- If companies are going to be held accountable by consumers for their GHG emissions, one can imagine a day where their products will be required to be labelled to quantify the GHG emissions generated by their manufacturing—just as organics are labelled today. We are definitely ready for that.
- The consulting firm McKinsey predicts that, ten years from now, half the Fortune 500 companies will come from developing countries. Just think about that shift in talent, capital and technology and what it means for our client base.

Whatever one makes of these scenarios, we don’t need to predict them all accurately. We just need to continue vigilantly scanning the horizon, remaining alert to risks and opportunities. As I have often said, OPIC has invested so deeply in better management information and risk management systems so we can see farther ahead thru a clear windshield. That, in turn, means we can drive somewhat faster and take more considered risks.

How have we prepared for these changing eras and these risks and opportunities on the horizon? I would put our preparations into three groups.

First, we have made it clear we are in the “development bucket” alongside USAID and other development agencies. We are the U.S. government’s *development* finance institution. That clarified identity, role, mission and mandate are a powerful protection and a motivator. It has enabled us to build champions and supporters across the political spectrum, as well as in the development and influencer community.

Second, our OPIC teams have led very effective work to strengthen the institutional architecture of the agency and build a truly first-rate financial institution. Through our enterprise risk management systems, powerful new computer system Insight, policy liberalizations, and automated process streamlining, OPIC’s entire infrastructure is now stronger, smarter, more modern and more resilient. The OPIC team has created new or revised products—Portfolio for Impact; the Innovative Financial Intermediaries Program; the Africa Clean Energy Portfolio; the Unlevered Facility—that are enabling us to meet gaps in the market. We have created new approaches—such as change management and innovation teams, syndications, and new HR, IT and Security systems—that have made us more efficient, more effective and better at managing risks.

Third, with these improvements and with more staff, especially younger staff, we have been able grow the Agency and scale up its impact. Overall, our portfolio is up 60 percent in the past five years. At the same

time OPIC has established itself as a highly respected leader in some of the most important sectors of this century: renewables, connectivity, agriculture and financial inclusion.

With OPIC's new role and much increased profile come opportunities - opportunities to garner more resources, more authorities and more policy flexibilities. But it also brings obligations. OPIC will have to continue to show the discipline, patience and expertise that has allowed us to weather so many emerging market storms safely. There will be more storms ahead. With the much higher profile we have today, OPIC will have to be even more transparent, responsive and accountable than before. We will have to continue to offer the best possible service and creative problem-solving to clients, as our new values statement says so well. We will need to continue to be "pathologically collaborative" with each other, and with peer institutions and sister agencies, large and small. We will need to be ready to provide leadership alongside our sister agencies, to both contribute to the development agenda and help shape it in critical ways. Finally, we will need to continue to uphold the very highest values and integrity.

Before I close, I want to say that the most wonderful thing about OPIC is the values and culture of our people and their commitment to our mission. I want to read to you some excerpts from the OPIC values statement that staff developed and unveiled this week. The statements speak volumes about this Agency:

*"We scale our impact ... we thrive ... we care ... we share ... we choose."*

Look around this room. By the time our youngest staff colleagues are in leadership positions, there will be another 1 billion people on this planet, the world will be a hotter place and it will face serious challenges on basic issues such as water that we have never witnessed before. There is no guarantee that our world will be a safer, more stable place. So the pledge of our leadership team is to do everything we can, now and in the future, to support this amazing, indispensable institution in the years ahead. The stakes are high, the obligation is high, but so is the opportunity.

I started out talking about how we now have 30-plus peer institutions. Over the past few years, and as OPIC has been accepted into the DFI club, I have come to know these organizations well. I've seen their toolkits and their strategies, and I've seen their work and now know their boards. I can tell you that none of them come close to the people in this room when it comes to problem-solving, navigating complex and restrictive policies and tools, and honoring our commitment to our clients and our mission. Without qualification, I can say the OPIC teams—Board and Staff—are the very best in the business, full stop. I consider it a privilege to serve alongside all of you.



## **OPIC Values – Final**

We bring to OPIC diverse backgrounds and expertise, while sharing a commitment to advance sustainable development throughout the world. Our mission is one that recognizes business as a force for good. These are the values that unite and guide us:

### **We scale our impact with unity.**

Groundbreaking development is heavy lifting. We make it lighter by leveraging our diverse talents as a united team. We know that collaboration is the shortest path to success.

### **We thrive on ingenuity.**

There are no paths when trailblazing. We pioneer in a world of developmental challenges, designing successful strategies that are creative and sound. Internally and externally, we build on our history of innovative problem-solving for solutions that achieve results.

### **We care.**

What separates a good partnership from a great one is simply the level of care invested in our interactions. We respond quickly, listen attentively, encourage often, and advise with respect, because these behaviors create the deep bonds that solidify our united front to effect change.

### **We share a tireless grit to succeed.**

We anticipate obstacles when the goals are big. Yet the enduring value of our work triggers a relentless grit to succeed. And most importantly, we seek to leave the world a little better off than when we arrived.

### **We choose to serve.**

And we do so with honor. We take pride in the worthiness of our mission - we understand the challenges, and we expect to work harder. As global citizens, we are humbled to bring economic opportunities where few exist.