

**OVERSEAS PRIVATE INVESTMENT CORPORATION  
MINUTES OF THE OPEN SESSION OF THE SEPTEMBER 17, 2015  
BOARD OF DIRECTORS MEETING**

**Directors:**

Elizabeth L. Littlefield, President & CEO, Overseas Private Investment Corporation, Chair  
Ambassador Alfonso Lenhardt, Acting Administrator, U.S. Agency for International Development  
Ambassador Robert W. Holleyman, II, Deputy United States Trade Representative, Office of the  
U.S. Trade Representative  
Stefan Selig, Under Secretary for International Trade, U.S. Department of Commerce  
Christopher Lu, Deputy Secretary, U.S. Department of Labor  
Catherine A. Novelli, Under Secretary of State for Economic Growth, U.S. Department of State  
Maxwell T. Kennedy, Director, Kennedy Enterprises  
Naomi Walker, Assistant to the President, American Federation of State, County, and Municipal Employees  
(via teleconference)  
Terry Lewis, Principal, LIA Advisors, LLC  
Michael J. Warren, Principal & Managing Director, Albright Stonebridge Group  
James M. Demers, President, Demers & Blaisdell, Inc.  
Roberto R. Herencia, President & CEO, BXM Holdings, Inc.  
James A. Torrey, Director, The Torrey Family Office

**Other Attendees:**

Matt Austin, Office of Private Capital & Microenterprise, U.S. Agency for International Development  
Thomas Fine, Director of Services and Investment, Office of the United States 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  
Marina Best, International Economist, U.S. Department of the Treasury  
Dorothy Mayhew, Financial Economist, U.S. Department of State

**OPIC Attendees:**

**Office of the President**

John E. Morton, Chief of Staff  
Cameron S. Alford, Acting Associate General Counsel and Liaison to the Board of Directors

**Office of the Chief Financial Officer**

Mildred O. Callear, Vice President & Chief Financial Officer  
Allan Villabroza, Deputy Vice President and Treasurer  
Stephanie I. Kaufman, Managing Director, Budget and Resource Planning

**Office of Investment Policy**

Margaret L. Kuhlrow, Vice President, Investment Policy  
Mary S. Boomgard, Managing Director, Environmental Impact Analysis Group  
Lori Leonard, Managing Director, Economic & Development Impact  
Tara L. Guelig, Director, Labor and Human Rights

**Structured Finance Department**

Nancy A. Rivera, Managing Director (Acting Vice President)  
Tracey L. Webb, Managing Director  
Ali Ayub, Director  
Dairo Isomura, Director  
Philip Lam, Director  
Sara Mareno, Associate Director  
Alexander Choy, Associate

**Small and Medium Enterprise Department**

James C. Polan, Vice President, Small and Medium Enterprise Finance

**Insurance Department**

John F. Moran, Vice President, Insurance

**Investment Funds Department**

Brooks Preston, Vice President

**Office of External Affairs**

Judith D. Pryor, Vice President  
James W. Morrison, Special Assistant (Congressional and Intergovernmental Affairs)

**Legal Affairs Department**

Kimberly Heimert, Vice President and General Counsel and Counsel to the Board  
Mark C. Paist, Associate General Counsel  
Alexander M. Evans, Deputy Associate General Counsel  
Daniel M. Horrigan, Assistant General Counsel  
Susan J. Nathan, Assistant General Counsel  
Nicole D. Soulanille, Assistant General Counsel  
Lisa Pettinati, Assistant General Counsel  
Catherine F. I. Andrade, Corporate Secretary

**Department of Management and Administration**

Larry Spinelli, Acting Vice President, Department of Management and Administration and Chief Information Officer

**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 2:03 PM. Ms. Andrade acknowledged the participation by telephone of OPIC Board nominees Todd Fisher and Deven Parekh.

**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 17, 2015, 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 neither hearing was held.

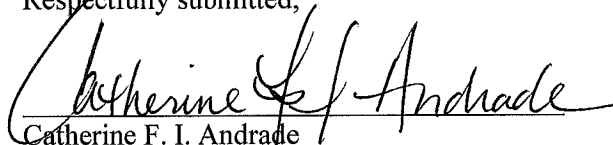
Ms. Littlefield presented her President’s Report, a copy of which is incorporated by reference into these minutes as Attachment A.

**B. APPROVAL OF MINUTES**

Ms. Littlefield turned to the approval of the minutes of the Open Session of the June 11, 2015, Board meeting. Mr. Lu moved and Mr. Warren seconded the motion to approve the minutes, and by a unanimous voice vote the minutes were approved.

Ms. Littlefield closed the meeting to the public at 2:18 PM.

Respectfully submitted,

  
Catherine F. I. Andrade  
Corporate Secretary

## **TRANSCRIPT OF PRESIDENT'S REPORT**

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**Elizabeth L. Littlefield**  
**President and Chief Executive Officer**  
**September 17, 2015**

Good afternoon Board Members,

We are meeting today in a period when international development is high on the global agenda, with many high profile goal-setting events as well as shifting poles of power.

In July, we addressed many audiences at the Financing for Development conference in Addis Ababa. A few weeks later, we joined President Obama's trip to Kenya for the Global Entrepreneurship Summit, during which OPIC's work was cited favorably in the President's speeches, White House Fact Sheets and a number of opinion pieces published in the media. Next week in New York City, the Sustainable Development Goals will be rolled out, and, later in the fall, OPIC's work in climate finance is expected to be central to the goals of the United States delegation for the United Nations Climate Change Conference in Paris. Meanwhile, the recent creation of the Asian Infrastructure Investment Bank, and similar initiatives, are drawing attention to the urgent need for greater public support to catalyze private investment in developing countries. Across all of this activity, we have seen a growing appreciation for the importance of development finance institutions – such as OPIC – and the need for these institutions to be equipped to play a far larger role.

It is in this context that shortly we will present to you, our Board, our proposed budget request of \$100 million for fiscal year 2017 – identical to our request last year.

We have built a solid foundation to prepare the Agency for scale-up. Our model is a proven success, with a multi-decade track record of investing in development, advancing foreign policy, supporting businesses - especially small business - and earning revenues for the taxpayer year in and year out.

2015 will be yet another year of powerful impact. We are nearing the end of the fiscal year and, like most financial institutions, this is our busiest time of year. OPIC teams have been working intensely to provide clearances, close or disburse transactions, finalize commitments and gather financial reporting information. While projected results will continue to move around for the next few weeks, and full audited results won't be available until later this fall, it is looking like we may achieve a financial record – the first time in OPIC's history that our active portfolio will reach \$20 billion in exposure. This would represent a 50 percent increase in exposure over a five year period. If all goes according to expectations through the last weeks of 2015, we expect to see nearly \$1.2 billion in disbursements and just over \$4 billion in commitments.

With continued strong portfolio quality and low write-offs, we also fully expect, come December, to mark the 38<sup>th</sup> consecutive year that OPIC has contributed to federal deficit reduction. The proportion of our commitments in low-income countries looks set to continue to grow, even though the list of low-income countries globally continues to shrink. In December, I

will also be able to share more about our expected development impact in areas such as local jobs created.

We continue to have a prudently balanced portfolio from a geographic perspective, with priority placed on the low-income countries and Administration foreign policy priorities in each region.

- We have made major efforts in Sub-Saharan Africa and, as a result, annual commitments have grown from single digits to nearly 44 percent of our commitments this year. Africa is a key Administration priority, and our work there will certainly continue to grow. That said, we expect the pace of that growth to slow due to our having built up significant pipelines in the markets most attractive to investors, such as Kenya, Ghana and South Africa.
- In Asia, where OPIC is less well-known, we are still underweight and would like to see that grow in accordance with the Administration's rebalance to Asia – which is why we have opened our office in Bangkok.
- Latin America, where OPIC has credited with likely landmark wind, hydro and solar renewable transactions in recent years, will drop slightly to a quarter of our portfolio.
- In MENA, now about 15 percent of our overall portfolio, we expect significant new business in Egypt as investors respond to improvements in conditions there.
- In Eastern Europe and Central Asia, we are, of course, still closed in Russia for the foreseeable future. At the same time, we are pushing hard to develop opportunities to support investment into Ukraine, where we expect to see some portfolio growth.

This year has also seen full implementation of a number of new products and windows designed to address gaps in the market. We are evolving our private equity product to better align OPIC's funds with the market and improve our ability to collaborate with our DFI partners. Portfolio for Impact (PI), designed to meet the needs of earlier stage projects that would not normally meet our underwriting guidelines, has approved six deals and has another set of promising deals on the way in 2016. The U.S.-Africa Clean Energy Finance Initiative, ACEF, is a catalytic program that covers early development stage costs. Created in partnership with State Department, ACEF has supported nearly 30 small-scale clean energy projects and has now fully deployed its funds two years ahead of schedule. The program is now being replicated in Central America and the Caribbean with USAID and State Department, and with strong backing from Vice President Biden.

At the same time, the Agency has continued to build, strengthen and modernize our internal infrastructure to ensure a state-of-the-art development finance institution. This has meant developing enterprise risk management systems, data and MIS systems, and analytical tools that connect together to enable us to continually assess, manage and mitigate risks. An organization such as OPIC is subject to a wider array of risks – security, legal, credit, political and many others, both rational and irrational – than other financial institutions. We need to have the most robust systems – top-down and bottom-up – to protect our Agency. Building this infrastructure has been a key priority for me, and will position us to be ready to scale up to meet the growing

demand for our services. We are also investing in people, continuing to recruit new staff – 57 this year – and we have doubled the budget for our training and staff development programs in the last few years.

Looking ahead, we are developing priorities for 2016 with input from stakeholders, the management team, as well as the volunteer Innovation Teams which have involved nearly one-third of the staff in the Agency. At the December meeting of the Board of Directors, I will update you further on priorities for 2016.

As I close, I'd like to share some legislative updates on the status of the Agency's appropriations. Both chambers of Congress have recommended giving OPIC the same funding as last year. This is not an ideal outcome, but a real vote of confidence, since spending is being squeezed by sequester caps and budget cuts are the norm.

While Congress wrestles with a series of contentious issues such as the proposed nuclear agreement with Iran, it is most likely that it will first pass another very short term "continuing resolution," with a full budget coming later.

With respect to OPIC's reauthorization, the most likely scenario is that OPIC will once again be reauthorized for FY16 in the Senate's appropriations bill covering foreign affairs. We have ensured that OPIC is in the base text of the Senate bill and the House is likely to agree to this, as it has for the past seven years.

At the same time we are still working hard with our supporters on the Hill on the "Electrify Africa" bill which would reauthorize OPIC for three years. As you may recall, the "Electrify Africa" bill passed the House with a bipartisan two-thirds majority in the last Congress, and legislation covering many of the same provisions was approved by the Senate Foreign Relations Committee. But Congress did not finish action on those bills before adjourning. As of last week, the legislation is once again back on the docket in the Senate, so we remain engaged and hopeful on this.

The 100-plus projects that OPIC expects to commit and the hundreds of disbursements and contracts we expect to have made this fiscal year represent an enormous investment of time and talent in screening, clearing, structuring, approving and monitoring and reporting. As you know, these deals are a tiny fraction of what comes in our door.

So, I want to applaud our OPIC teams for their phenomenal work. They work with more policy constraints than any of our peer agencies in other countries, on deals that are as complex as any Wall Street deal, in more difficult markets, with a wide array of stakeholders, and with risks that, by definition, no commercial lender will take. The fact that they do this successfully with consistently low write-offs and solid revenues generated humbles me every day.

It is with this thought that, in closing, I offer my thanks to the OPIC team and to you, our Board, for your wise and dedicated stewardship. It is an honor to work with each and every one of you. Thank you.

This concludes my President's Report.