

**OVERSEAS PRIVATE INVESTMENT CORPORATION
MINUTES OF THE OPEN SESSION OF THE SEPTEMBER 22, 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
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
C. William Swank, Retired Executive Vice President, Ohio Farm Bureau Federation
Michael J. Warren, Principal & Managing Board Member, the Albright Stonebridge Group
Kevin G. Nealer, Principal and Partner, The Scowcroft Group

Other Attendees:

Carol M Mates, Attorney Advisor, U.S. Agency for International Development
Daniel Bahar, Director for Investment Affairs, Office of the U.S. Trade Representative
Michael C. Fuchs, Team Leader, Trade and Project Finance, U.S. Department of Commerce
Samuel Cornale, Special Assistant to the Deputy Secretary, U.S. Department of Labor
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
Debra Benavidez, Financial Economist, U.S. Department of State
Justin Meservie, Program Examiner – International Trade, Office of Management & Budget

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
Paula Tufro, Advisor to the President

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
Patrick D. Carleton, Senior International Economist

Structured Finance

Robert B. Drumheller, Vice President, Structured Finance
Tracey L. Webb, Managing Director, Project Finance
Nancy A. Rivera, Managing Director, Project Finance
Mary Mervenne, Managing Director, Project Finance
Harris C. Mehos, Director, Structured Finance
Danielle Montgomery, Director, Structured Finance
Geoffrey Tan, Director, Structured Finance
James D. Meffen, Associate, Structured Finance
Courtney Piper, Analyst, Structured Finance

SME Finance

James C. Polan, Vice President, SME Finance

Investment Funds

Jay L. Koh, Vice President, Investment Funds

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

Deborah Burand, Vice President & General Counsel

Robert C. O'Sullivan, Acting Deputy General Counsel, and Associate General Counsel,
Insurance and Claims

Peter Van den Dool, Assistant General Counsel

Harriette H. Lopp, Assistant General Counsel

Mark C. Paist, Assistant General Counsel

Andrea Keller, Senior Commercial 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 10:05 AM on Thursday, September 22, 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 September 22nd Board meeting in *The Federal Register*. No requests were received to speak or submit copy for the record, so the hearing was not held.

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

Mr. Durkin lauded the work of Ms. Littlefield and OPIC's staff, particularly with respect to improving the impact of OPIC. This was also acknowledged by the entire Board.

B. APPROVAL OF MINUTES

Ms. Littlefield turned to the approval of the minutes of the Open Session of the June 23, 2011 meeting. Ms. Moss moved and Mr. Nealer seconded the motion, and by a unanimous voice vote the minutes were approved by the Board.

The meeting was closed to the public at 10:22 AM.

Respectfully submitted,



Connie M. Downs
Corporate Secretary

PRESIDENT'S REPORT

By
Elizabeth L. Littlefield
President & Chief Executive Officer
September 22, 2011

Today, at our last meeting of OPIC's Board of Directors in fiscal year 2011, and after my first complete year as President and CEO, I would like to report to the Board on what we have focused on to date and projections through the end of the fiscal year.

A year ago, I worked with OPIC's leadership team to set four strategic priorities for the Agency. These are: first, to grow OPIC's portfolio and impact; second, to increase the environmental benefit of our portfolio; third, to improve efficiency and innovation; and fourth, to build long-term support for the agency. Together, these four strategic priorities position OPIC to achieve our financial, development and foreign policy goals this year and for many years to come. A key focus for me this first year, responding to clear input from OPIC staff and other stakeholders, was to invest in a number of internal issues that needed to be addressed for OPIC to succeed in the long run, primarily process, policy and communication-related updates and improvements. Having reported to you on the *unplanned* priority of our response to the Arab Spring in my last Board report, I'd like to report today on our progress in each of these four priority areas that we *planned* to focus on. Of course, results are what count most, and although not all of the numbers have been tallied, much less audited, I am very pleased to say to you that we expect to meet or exceed all of our key financial targets this year.

On our first priority, growing the OPIC portfolio and its impact, we project \$3.1 billion in commitments to over 70 finance and insurance projects, which is up from \$2.6 billion last year. In addition, the OPIC teams have developed an impressive pipeline that positions us very well for another strong increase next year, assuming we are granted the administrative resources to execute those transactions.

OPIC earns revenue not when we commit financing, but when we actually disburse or write contracts, and of course it is critical that OPIC continue to generate income and contribute to the reduction of the federal deficit. This year OPIC has once again managed its financial operations both efficiently and prudently, balancing risks, costs and revenues from fees, interest and commissions such that we will once again, for the 34th consecutive year, be self-sustaining, and generate healthy revenue for the Treasury from our operations and our investments.

As we grow OPIC's portfolio, we increase the development impact of that portfolio. Overall our portfolio remains roughly evenly split across the regions of the world, with our largest concentration being in Latin America and the Caribbean. Concerted efforts to increase our support of the Middle East and North Africa are beginning to show results as exposure will have

increased by 16 percent this year. Also gaining good traction is our focus on supporting other foreign-policy priority countries such as Afghanistan, Pakistan, and Iraq, where the OPIC teams have developed a medium-term pipeline of potential projects that approaches a billion dollars per country. The number of OPIC projects in LDCs has increased as well, and we'd like to see that grow further. By product, our portfolio remains more than half debt financing, with the remainder almost evenly split between political risk insurance and investment funds.

Our second strategic priority is to increase the environmental benefit of our portfolio. This means more projects in renewable energy and resources, reduced greenhouse gas emissions, and delivering on the President's commitments at Copenhagen and Cancun to help developing nations combat climate change. At the end of last year, we set an ambitious target of \$422 million in commitments to renewable resources projects. I am proud to report that we expect to have committed far more than this when we close out the year. And, this is in addition to \$498 million in commitments to investment funds that will target renewable resources sectors that have been Board-approved but not yet closed. Our renewables commitments this year include numerous projects in clean and renewable energy -- from biofuel in Liberia to solar energy in India to the geothermal project in Kenya, which we will bring before you today. In other renewable resource sectors, as you know, we also have approved \$250 million in African agriculture-focused funds to support the President's *Feed the Future* initiative, and in forestry, the insurance team has executed what is considered the very first political risk insurance contract ever written for a REDD+ carbon project. Amplifying our commitment to the global shift to a lower carbon economy is the fact that we continue to reduce GHG emissions across our portfolio, and very soon we will be able to quantify and report on the GHG emissions avoided as a result of OPIC supported projects.

As our third strategic priority, we have invested deeply in enhancing productivity and innovation across the agency. Investments in productivity focused on improving and updating policies and internal processes and systems. Examples include modernizing internal data systems and risk management tools; revising the credit approval process and cutting out paperwork to reduce cycle time by three full weeks; and an ongoing effort to revise the application process to improve efficiencies and better serve clients. We have worked to update, clarify, and harmonize the policies that guide our eligible transactions so we can serve more clients more easily for greater impact. Our aim is to do more business and have more impact, in less time, with a more efficient use of resources. This means we are also engaging more actively with our peers. We signed a Master Cooperation Agreement with the IFC, and we joined the GEMS consortium of IFIs and DFIs, a platform for data-sharing that will enhance our ability to assess risk. We are also in the early stages of talks with regional development banks such as the African Development Bank, to develop co-financing arrangements. On innovation, we have implemented a number of initiatives, one of which is the *OPIC ideas* web portal for staff to submit and vote on ideas. Over 100 ideas have been received, nearly 1300 votes cast on them from OPIC staff, and dozens have been implemented.

We also are increasing productivity by looking for improvements that can be made to OPIC's governance. Leading this initiative is the Board's Ad-Hoc Committee on Governance, which

will present its recommendations at today's meeting. I want to recognize and thank the significant contributions of the six Board members who participated on this committee: Francisco Sanchez, Sam Ebbesen, Dianne Moss, Kevin Nealer, Michael Warren, and especially, the leadership of Patrick Durkin as Chair of the Committee. I have no doubt that the recommendations of this Committee will serve to enhance the productivity of the Board and the Agency as a whole.

Our final strategic priority is to build long-term support for OPIC. To do so, armed with a newly developed common message platform, we have reached out to influential organizations and individuals on both sides of the aisle on Capitol Hill, on the think tank circuit, and from current and past Administration staff. We have spread the word about OPIC by revamping the OPIC blog, broadening our Facebook and Twitter platforms, as well as through more traditional methods. Business outreach continues domestically through OPIC's SME-focused workshops, and internationally through frequent speaking engagements across the globe.

Overall, I am very pleased to report significant progress on all four of our strategic priorities, which will continue to guide us in the upcoming fiscal year. Building upon the strong foundation we have laid this year through major internal investments in systems, processes, and efficiencies, while still meeting and even exceeding all financial targets, OPIC's leadership team can now spend more time focused on forging stronger domestic and international partnerships and breaking into new markets and new sectors with new products.

That concludes my report.