

**OVERSEAS PRIVATE INVESTMENT CORPORATION
MINUTES OF THE OPEN SESSION OF THE MARCH 29, 2012
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 U.S. Trade Representative
Seth D. Harris, Deputy Secretary of Labor, U.S. Department of Labor
Francisco J. Sanchez, Under Secretary for International Trade, U.S. Department of Commerce
(via Telephone)
Terry Lewis, Principal, LLA Advisors, LLC
Katherine M. Gehl, President & CEO, Gehl Foods, Inc.
Kevin G. Nealer, Principal and Partner, The Scowcroft Group
Maxwell T. Kennedy, Director, Kennedy Enterprises
Roberto R. Herencia, President & CEO, BXM Holdings, Inc.
James A. Torrey, General Partner, BioPharma Growth Fund, LLC

Other Attendees:

Eric Postel, Assistant Administrator EGAT, U.S. Agency for International Development
Virginia Brown, Director, EGAT, U.S. Agency for International Development
Carol M Mates, Attorney Advisor, U.S. Agency for International Development
Daniel Bahar, Director Investment Affairs, 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
Janet MacLaughlin, International Economist, U.S. Department of the Treasury
Debra Benavidez, Financial Economist, U.S. Department of State
Rhonda Sinkfield, 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, 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
Nancy L. Rivera, Managing Director, Project Finance
Geoffrey Tan, Director, Structured Finance
Ali Ayub, Director, Structured Finance
James D. Meffen, Associate, Structured Finance
Christa N. Watson, Project Finance Specialist, Structured Finance

SME Finance

James C. Polan, Vice President, SME Finance

Investment Funds

Jay L. Koh, Vice President, Investment Funds

Insurance

John F. Moran, Acting 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

Don S. De Amicis, Vice President & General Counsel and Counsel to the Board

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

Amy L. Bailey, Assistant General Counsel

Cindy R. Shepard, Assistant General Counsel

Cameron S. Alford, Assistant General Counsel

Mark M. Paist, 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, March 29, 2012. She welcomed new Board member Katherine Gehl. She noted that Francisco Sanchez was joining the meeting via telephone and asked those present to acknowledge his presence, which was confirmed.

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 March 29th 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.

B. CONFIRMATIONS

Ms. Littlefield noted that Roberto Herencia had agreed to serve on the Board Audit Committee. Pursuant to OPIC's Bylaws, she requested confirmation of his appointment. Mr. Nealer moved and Mr. Harris seconded the motion, and by a unanimous voice vote the following resolution was approved by the Board.

BE IT RESOLVED, that the Chairman of the Board's appointment of Roberto R. Herencia as a member of OPIC's Board Audit Committee, be and hereby is confirmed.

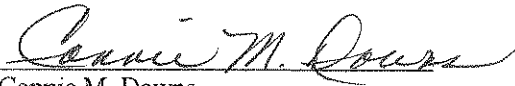
Ms. Littlefield then turned to the confirmation of Allan Villabroza as OPIC's Vice President & Chief Financial Officer. Pursuant to OPIC's Bylaws, she requested confirmation of his appointment. Ms. Lewis moved and Mr. Nealer seconded the motion, and by a unanimous voice vote the following resolution was approved by the Board.

BE IT RESOLVED, that the President's appointment of Allan Villabroza as Vice President and Chief Financial Officer, be and hereby is confirmed.

Ms. Littlefield turned to the minutes of the Open session of the December 8, 2011 meeting. Mr. Herencia moved for approval and Ms. Lewis seconded the motion, and by a unanimous voice vote the minutes were approved.

The meeting was closed to the public at 10:35 AM.

Respectfully submitted,


Connie M. Downs
Corporate Secretary

PRESIDENT'S REPORT

By
Elizabeth L. Littlefield
President & Chief Executive Officer
March 29, 2012

I'd first like to introduce two new additions to OPIC's senior leadership team: Dennis Lauer is our new Chief Information Officer, and comes with 30 years federal experience (USAID, MCC, and State), 10 years development experience, especially in Africa, and another 20 years in IT – although I assure you, this experience was concurrent, not sequential! Rita Moss is our new Director of Human Resources and is also a seasoned expert with experience at MCC, Treasury, and Commerce.

In this report, I will touch on highlights from across the agency since we last met to give you a sense of what the OPIC staff at all levels and functions have been working hard at and accomplishing.

First, let me remind us all of the four strategic priorities which remain steady since they were established with all of the department heads 18 months ago:

1. **Growing our portfolio and the impact that comes with it**
2. **Increasing environmental benefits**
3. **Fostering efficiency and innovation**
4. **Building *long-term* support for the agency.**

These four strategic priorities drive the decisions we make every day and underpin our agency-wide performance plans.

In addition, our single sectoral priority remains renewable resources. Of course, our overarching objective, whether in this sector or in the other important sectors where we work, is to maximize our development and financial returns and minimize our costs and risks.

Now, I'll turn to the highlights and forward-looking plans for each of the agency's departments.

First, the **Office of External Affairs (OEA)**: Everything OEA concentrates on is, of course, linked to the fourth strategic priority of building long-term support for OPIC. They are:

- Ramping up domestic outreach through more workshops and seminars for small business across the country, in place of an international conference
- Augmenting our legislative outreach with a focus on our authorizing and appropriating committees
- Investing in an updated and streamlined website and a more energetic social media presence (“Follow” us on Twitter! “Like” us on Facebook!)

The Office of Investment Policy (OIP) continues to ensure that the Agency remains true to our statutory and policy guidelines, working closely with the investment departments to troubleshoot tricky policy issues and to propose solutions that allow projects to move forward. This team helps the Agency walk the tightrope between the often-competing pressures of our stakeholders (NGOs, clients, interest groups), while tackling difficult issues like our Greenhouse Gas cap and our nuclear policy.

One noteworthy highlight and focus going forward is that we invested in strengthening our **Monitoring and Reporting team** so we can better measure the development impacts and tell the stories of how our projects perform on the ground. We are excited to see the fruits of their labors over the coming months and years. This effort, too, will support the Office of External Affairs and the fourth priority of building long-term support for OPIC.

Insurance: In addition to the terrific project in Ghana that you are considering today and a rich pipeline of other developmental ventures in Ghana, probably the most noteworthy work in insurance today is the innovation of new products and new applications of coverage designed to remove barriers to investing in renewable energy. **OPIC Insurance, Credit, and Legal** teams have been working to develop a product that would partially cover the risk to an investor of a change to the Feed in Tariff that a government commits to – which is the price at which it will buy the renewable energy that a project will generate. This supports both our priority of growing our portfolio and impact, and the priority of fostering innovation.

Investment Funds: I am pleased to report that a record 158 applications were received from the Global Engagement Call, far exceeding our expectations. The teams are continuing to engage in due diligence, and the Board will see results in the next few meetings. We are also continuing to make strong efforts to work with other funders to enable funds already approved by the board to reach first close. In support of this effort, the Investment Funds Department will be hosting fund managers here at OPIC in mid May for an event – I hope that some of our Board members can join us.

Finance: The large finance transactions, mostly developed by our **Structured Finance** team, have had a lot of visibility for the Board. Of course, following Board approval, their work continues. For example, the Structured Finance team has worked hard to negotiate loan guarantee agreements for the Loan Guarantee Facilities you approved in September. Four banks so far are participating in Jordan, and the program has been launched. We have two banks selected in Egypt, but approvals are still pending, as the government juggles its internal conflicts.

Although these projects are certainly high profile, most of OPIC's projects are smaller and the majority of our clients are small and medium-sized businesses. A few examples of the work done by the **Small and Medium Enterprise Finance** team in recent months include Microenergy Credits, which involves financing for an NGO that is helping microfinance institutions make loans to poor households to buy energy efficiency equipment such as solar panels, biogas digesters, or water filtration systems, and then aggregating and selling the carbon credits earned from those installations. Another good example is a \$1.9 million loan to the Broad Cove Group for a pilot project to construct and sell at least 80 affordable "green" homes in the Monrovia area of Liberia. The third project I'll mention involves a \$7 million direct loan to the Alistair James Company Limited, which will support the expansion of a regional logistics company based in Dar es Salaam, Tanzania, which is of course one of the four "Partnership for Growth" countries. This company provides transport services to energy, mining and infrastructure companies, as well as aid agencies and military peacekeeping operations.

So these large and small *new* transactions are exciting and tangible. But equally tangible is the work that goes on to work with loans that are struggling or insurance claims we are trying to recover. This brings us to some recent highlights from our **Office of the Chief Financial Officer (OCFO)** and its **Portfolio Management Division**, which works in partnership with **Legal Affairs** on these special assets. In recent weeks we have received two pieces of good news on this front that I'd like to share.

First, in Serbia, OPIC's programs had been restricted for nearly three years due to an unresolved claim from Serbia's refusal to recognize the result of an international arbitration. OPIC's team, with the steadfast support of the State Department and Secretary Clinton, helped successfully negotiate a resolution between the Serbian Government and the investor. As a result, we have been able to release the restrictions on OPIC's programs in Serbia.

Second, in Venezuela, two OPIC-supported gas projects involving three U.S. companies were expropriated in 2009. Just last week we reached a settlement and, as a result of OPIC advocacy, not only have our clients been fairly compensated without facing an expensive international arbitration, but we have recovered hundreds of millions of dollars that belong to the U.S. taxpayer. In fact, not one cent of U.S. taxpayer money was lost. This result is all the more remarkable considering how other investors are faring in Venezuela.

In addition, **OCFO** is continuing its work with the auditors and audit committee to address recommendations from last year's audit, which came back clean as it has every year since OPIC's inception, even though we transitioned to a new auditor.

Our **Legal Affairs** and **Front Office** teams have also been hard at work not only on "problem" countries but "opportunity" countries. As of this week, and thanks to an established interagency process spearheaded by USTR in close consultation with the Department of Labor and others, OPIC is now open for business in South Sudan. We hope to sign an Investment Incentive Agreement with Libya in the coming months as well.

Of course, all of this great work is only possible thanks to the work done by people in the **Office of the Chief Information Officer (OCIO)** and **Security and Administrative Services** who make sure that IT and security systems work, building and equipment is maintained, travel is arranged, contracts are drawn up, procurements follow procedure and mail gets delivered. These services are a huge responsibility, and can make a huge difference to our effectiveness. For example, Dennis has developed a three-year strategic plan for OCIO, which will include transitioning older systems to new business intelligence systems to improve reporting and better inform management decision making. We are also streamlining the OPIC loan application process to improve customers' ease of doing business with OPIC, save time for staff and improve the quality of our data.

Another example of innovation in OCIO is the terrific, simple module they developed this past quarter that enables finance teams to visually capture in an approximate but clear picture how well a transaction scores on what we call the 4 Rs. This lets us see at a glance the rationale for how a deal balances risks and returns.

In sum, there is a lot going on, and I personally find it extraordinary that so much is accomplished by such a small staff. Our assets, revenues and impact per employee far exceed that of our peer DFIs. Indeed, our staff is our most valuable and yet our most constrained resource.

I'd like to close by reminding us all about what matters most -- the very core of our mission - and that is OPIC's ability to contribute to sustainable economic development.

I am very proud of what the Agency accomplished last year on this front, and will highlight a few figures:

- Projects committed in 2011 are expected to create nearly 20,000 jobs in host countries.
- Last year's projects will generate 727 megawatts of renewable energy (which is up from 70 megawatts in the previous year).
- Over 60 percent of our projects by volume were in Low Income Countries (40 percent by number of transactions), which is up from 15 percent the year before.
- Fully three-fourths of our business was with U.S. small and medium enterprises.

On that very positive note, I conclude my report.