

OFFICE OF ACCOUNTABILITY



FOUR-YEAR REPORT | 2005–2009



OVERSEAS PRIVATE INVESTMENT CORPORATION

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OA posts reports and other documents on its webpage as soon as they are released to the public.

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MESSAGE FROM THE DIRECTOR

Many efforts to promote development and reduce poverty can involve a combination of anticipation and unease. People in the vicinity of development projects may view them with a mix of hope and anxiety, for projects aimed at benefiting the many may have painful consequences for a few. Private sector investments supported by development agencies such as OPIC may bring benefits of employment or other social and economic opportunities for some, but also may adversely impact others' livelihoods, social well-being or environmental quality.



OPIC recognizes that the potential or actual concerns of local communities and other stakeholders in OPIC-supported projects must be addressed and that those projects must be executed in ways that take stakeholders' concerns into consideration. To accomplish this, OPIC has reviewed proposed projects for environmental impact since 1985, and has operated in accordance with a publicly available *OPIC Environmental Handbook* since 1999.

In 2005, as mandated by the U.S. Congress and OPIC's Board of Directors, OPIC established an Office of Accountability (OA) to address project-affected communities' complaints about environmental, social, worker rights or human rights impacts of OPIC-supported projects in a manner that is fair, objective and constructive (see p. 16).

Pursuant to mandates from the U.S. Congress and OPIC's Board of Directors, the Office of Accountability established two structured and complementary processes to address complaints from project-affected communities and other stakeholders in 2005. The first, a problem-solving process, focuses on helping



resolve disputes regarding local environmental, social, worker rights and human rights impacts of OPIC-supported projects where efforts at local resolution have failed. The second, compliance review, focuses on the adequacy of OPIC's implementation of its own environmental, social, worker rights and human rights policies and procedures.

Now, four years on, I am pleased to present this Four-Year Report on Office of Accountability's operations from 2005 to date. Consistent with its

Congressional and Board mandates, OA has responded effectively to complaints and promoted public accountability at OPIC. We are not a remote, bureaucratic office tucked away in a large building in Washington, DC. While guarding our neutrality and independence, we respond rapidly to complaints, maintain a consistent focus on the concerns of project-affected people on the ground, and ensure OA's accessibility to diverse stakeholders—and thereby support OPIC's development mission.

OA's core business is handling complaints on the environmental, social, worker rights and human rights impacts of OPIC-supported projects. Since 2005, OA has received four

written requests for problem-solving or compliance review services, across multiple sectors (mining, oil and gas, manufacturing, housing) and regions (Latin America, the Caucasus, Sub-Saharan Africa, South Asia). We have completed independent compliance reviews of two of the four requests, and in response to OA's compliance review reports, OPIC has committed to monitorable actions to restore compliance. The reports and OPIC's responses to them are outlined in this report (see pp. 8–11). OA determined that the other two requests received during this period were ineligible for the problem-solving process.

Our second key function, per the Congressional and Board mandates, is to ensure our services are accessible to project-affected communities. Here we face several challenges—the communities' often remote locations, their technological isolation and their unfamiliarity with the use of organized channels to seek recourse from internationally-funded projects that may adversely affect them. OA's efforts to reach out to these communities are recounted in this report (see pp. 12–14).

Also pursuant to the Congressional and Board mandates, OA actively shares good practices with counterpart independent accountability mechanisms (IAMs) at the International Finance Corporation (IFC), the World Bank and the regional development banks. The IAMs' shared activities, including joint outreach, training and annual meetings, add considerable value to our work, and are summarized in this report (see pp. 13–14).

By order of the U.S. Congress and OPIC's Board, Office of Accountability straddles the interface between OPIC and external stakeholders in OPIC-supported projects. OA's position relative to OPIC is unique and can at times be challenging. OA's mandate to operate independently of OPIC line management while

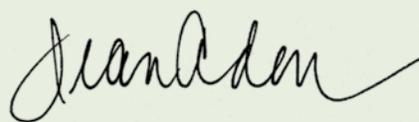
contributing to OPIC's development mission requires an ongoing effort to protect the good governance of this Office.

We believe that the two completed compliance review exercises have already added value, in terms of OPIC's commitment to address the issues raised in the complaints. And we are confident that OA will continue to benefit OPIC operations in multiple ways:

- generating on-the-ground information about OPIC-supported projects that would not ordinarily be available to the agency;
- creating incentives for improved due diligence and monitoring of OPIC-supported projects;
- helping improve project outcomes on the ground;
- contributing to OPIC's broad transparency initiatives; and
- enhancing OPIC's credibility with the public and civil society, thereby helping expand the social space in which OPIC-supported projects operate.

While recognizing OA's accomplishments of the last four years and the support that has helped enable these accomplishments, we are also intensely aware of the challenges that await—in particular, the need to make our problem-solving role fully operational and to implement the post-report monitoring function.

I extend my personal thanks to all who have supported and challenged the Office of Accountability in these start-up years. We are eager to take on the challenges that lie ahead, and hope we can count on your continued interest and support.



Jean Aden
Director, Office of Accountability

OVERVIEW OF OFFICE OF ACCOUNTABILITY



Project-affected community members, Potosí, Bolivia.

The Office of Accountability (OA) was established in 2005 as the independent accountability mechanism of the Overseas Private Investment Corporation (OPIC), as directed by the U.S. Congress and OPIC's Board of Directors.

OA responds to complaints from communities that believe they are, or may be, adversely affected by OPIC-supported projects, and reports directly to OPIC's President and CEO.



Office of Accountability provides a direct avenue for the concerns of project-affected communities to be heard at the highest level of decision-making at OPIC (see Figure 1).

WHAT WE DO

The Office of Accountability works to:

- respond to concerns of communities affected by OPIC-supported projects
- help assure that OPIC's environmental, social, worker rights and human rights policy requirements are met
- foster greater public accountability at OPIC

Independence from OPIC line management and a reporting line to OPIC's President and CEO enable OA to serve as an impartial resource to project-affected communities involved in a project-related dispute and to provide objective findings and recommendations aimed at improving environmental, social, worker rights and human rights outcomes of OPIC-supported projects.

WHO WE ARE

Office of Accountability's Director, Jean Aden, comes from outside OPIC and brings in-depth experience in multilateral lending and environmental compliance management (see p. 15). When

response to a complaint requires specific expertise, OA hires specialized consultants to address the particular technical and sectoral issues that have been raised. All OA findings are backed by painstaking investigation and verified evidence. Scrutiny of OA processes and reports by diverse stakeholders, including local and international civil society organizations, Congress, local communities, OPIC clients and media, creates powerful incentives for OA to maintain high standards of objectivity and integrity.

HOW WE WORK

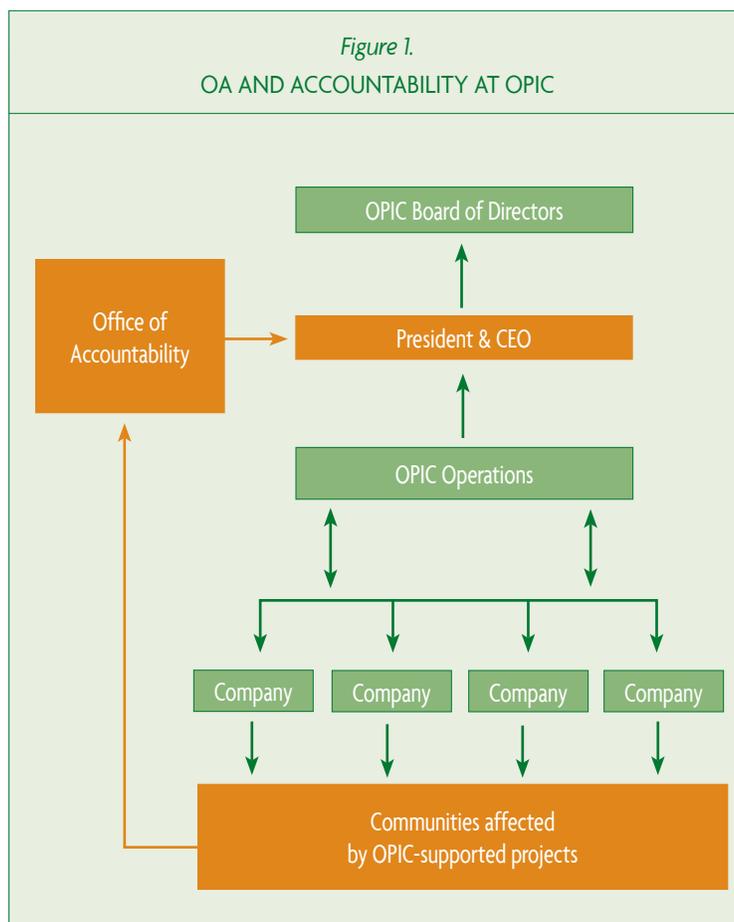
Office of Accountability's complementary roles—problem solving and compliance review—provide a structured process for handling complaints and addressing compliance concerns. Complainants may request either problem solving or compliance review, or both.

Whether they involve problem solving or compliance review, OA cases are triggered by eligible complaints; OA intervenes only when project-affected communities lodge a complaint. And OA investigations focus on OPIC as an institution, not on individual staff members. Because one OA objective is to improve the outcomes of OPIC projects, OA compliance review reports offer recommendations regarding remedies to bring a project into compliance. OA also monitors implementation of problem-solving agreements and responses to compliance review findings and recommendations.

CONFIDENTIALITY AND DISCLOSURE

Office of Accountability respects requests for confidentiality during problem-solving assessment and agreement-seeking processes, and during

a compliance review. At the same time, OA is committed to transparency and maximum disclosure of our work. To maintain transparency and reinforce institutional accountability, we publicly disclose OA reports, OPIC management responses to them and milestones in OA's problem-solving and compliance review processes on the OA webpage and in hard copy. Disclosure of certain information in reports may be subject to limitations imposed at the request of affected parties.



OA PROBLEM SOLVING

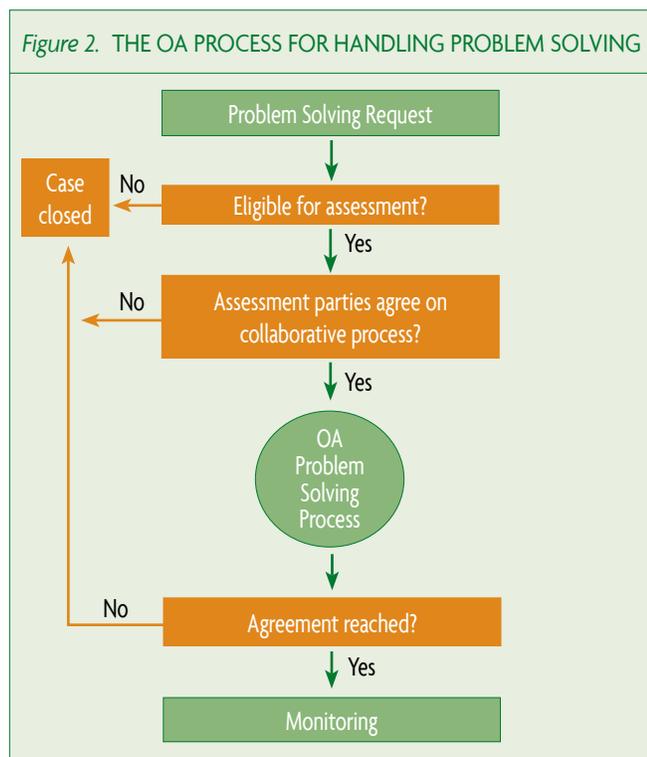
The goal of a problem-solving process is to help resolve issues raised by complainants about the environmental, social, worker rights and human rights impacts of OPIC-supported projects and to help people reach agreements that meet the interests of all the parties. Through the problem-solving process, parties identify alternatives for resolving the issues of concern and make informed decisions about the best way forward. OA's advocacy in a problem-solving case is for a fair and equitable process — not any specific solution.



On receipt of a problem-solving complaint, OA first determines the complaint's eligibility for assessment (see Box 1). The purpose of the assessment is to clarify concerns raised by the complainant, gather information on how other stakeholders see the situation and help stakeholders determine whether and how they might be able to resolve the issues. Based on the assessment results, OA will either:

- Work with the parties to produce an explicit agreement on a process for addressing issues raised in the complaint and related issues that may have been identified during the assessment, OR
- Determine that a collaborative resolution is not possible.
- OA prepares an assessment report for the parties and OPIC's President and CEO.

If the parties agree to engage in a collaborative problem-solving process following the assessment, the next steps can involve a number of approaches, including helping establish the facts of a case, joint fact-finding or monitoring, facilitated discussions, mediated agreements or other collaborative approaches initiated by the parties involved in a complaint.



Box 1. CRITERIA TO DETERMINE ELIGIBILITY FOR PROBLEM-SOLVING ASSESSMENT

Complaints are eligible for assessment if:

- The complaint concerns a project that OPIC is supporting or actively considering
- The issues raised in the complaint pertain to OA's mandate to address environmental, social, worker rights or human rights impacts of an OPIC-supported project
- The complainant is or is likely to be materially, adversely and directly affected by the environmental, social, worker rights or human rights impacts raised in the complaint
- The complainant has made a good faith effort to resolve the issues with other project stakeholders

OA COMPLIANCE REVIEW

OA reviews OPIC's compliance with applicable project-level environmental, social, worker rights and human rights policies, standards, guidelines, procedures and conditions, with the goal of ensuring compliance and thereby improving project outcomes.

To achieve this, compliance reviews focus on OPIC—not the project sponsor—and how OPIC assures itself of project performance. OA compliance investigations include field assessments to review evidence and verify outcomes on the ground.



On receipt of a compliance review request, OA first determines its eligibility (see Box 2), after which it will either conduct the compliance review, or it will inform the complainant, OPIC's President and CEO, and the public why the complaint is ineligible.

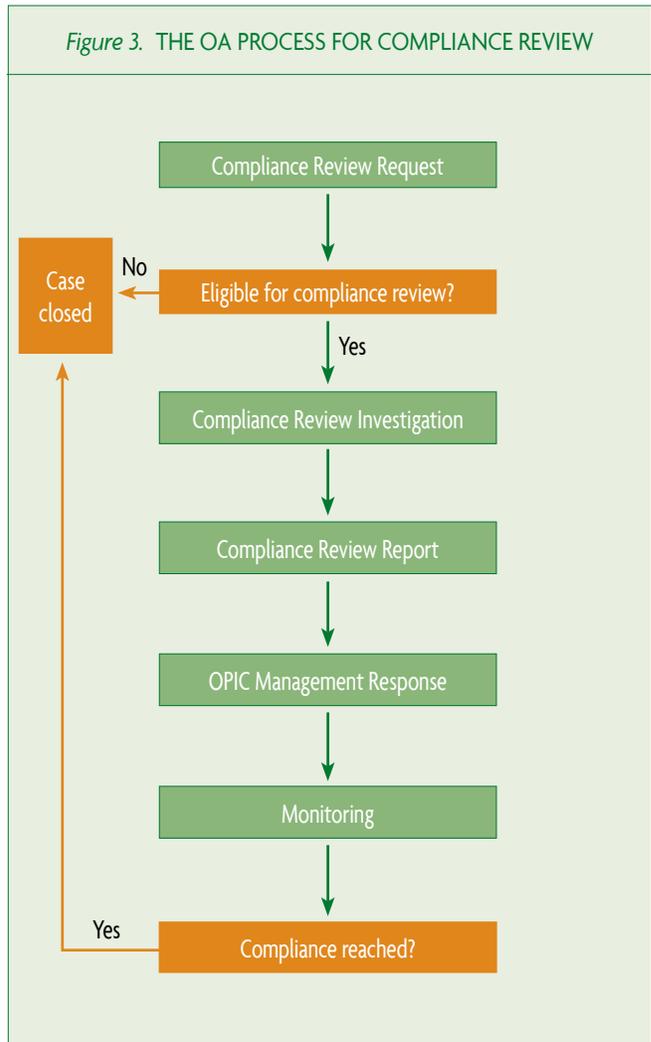
To date, OA has conducted compliance reviews of the BTC Oil Pipeline Project in the Republic of Georgia in 2006 and the Coeur d'Alene Mines/San Bartolomé Project in Bolivia in 2008 (see OA cases, pp. 8–11). Both of these compliance reviews provided recommendations that led to practical, monitorable actions by OPIC.

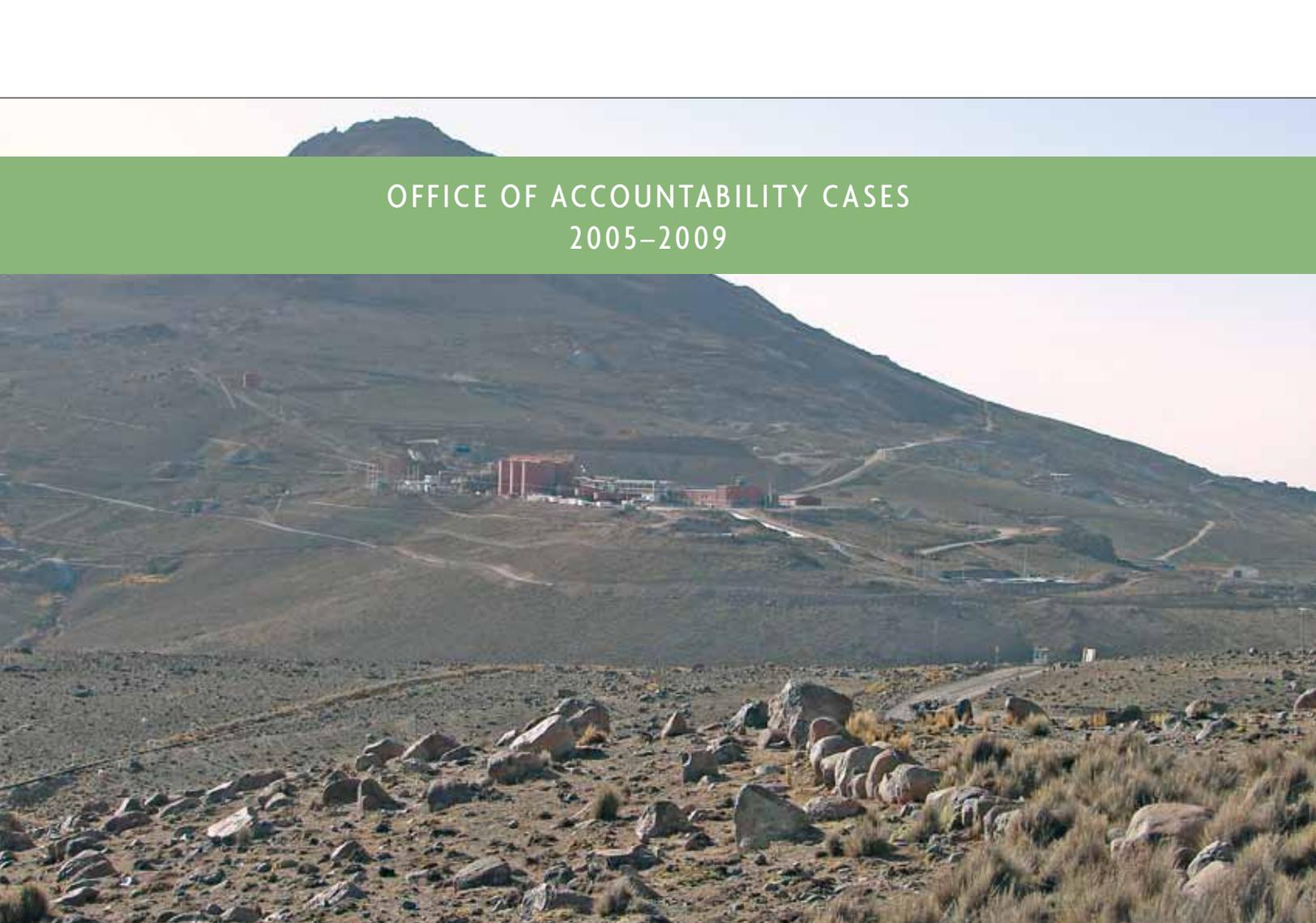
Box 2. CRITERIA TO DETERMINE ELIGIBILITY FOR COMPLIANCE REVIEW

Complaints are eligible for compliance review if:

- The complaint concerns an OPIC-supported project
- The issues raised in the complaint pertain to OA's mandate to address environmental, social, worker rights or human rights impacts of an OPIC-supported project
- The complaint is filed by a member of the project-affected community with concerns about adverse environmental, social, worker rights or human rights impacts of an OPIC-supported project, which may indicate a failure of OPIC to follow its relevant policies; or OPIC's President & CEO; or OPIC's Board of Directors.

Figure 3. THE OA PROCESS FOR COMPLIANCE REVIEW





OFFICE OF ACCOUNTABILITY CASES 2005–2009

Cerro Rico, near Potosí, Bolivia, site of the San Bartolomé silver mine and a complaint to Office of Accountability concerning project benefits to an indigenous community.

BOLIVIA

Coeur d'Alene Mines/San Bartolomé Project/Potosí Received April 2008; Final Report February 2009

In April 2008, leaders of an indigenous community in the project area of influence filed a problem-solving and compliance review complaint regarding the OPIC-insured Coeur d'Alene/San Bartolomé Mines Project in Bolivia. In exploiting above-ground ore deposits 4 km southeast of the historic mining city of Potosí, the project uses cyanide leaching to produce silver and gravimetric methods to produce tin. Solid residues are deposited in two lined tailings reservoirs. Through a negotiated concession process, the project acquired surface land rights from the requester community in March 2004 for construction and operation of the

processing plants and tailings dams. But the concession agreements did not address the resulting physical and economic displacement impacts on the requester community. In December 2004, Coeur d'Alene contracted with OPIC for \$54.25 million in political risk insurance coverage for a twenty-year term.

The complainants contended that more than three years after commencement of OPIC's insurance coverage there was no agreed Indigenous Development Plan for benefit of the affected indigenous community, and efforts to reach agreement between the company and the community on financing a proposed Plan



had broken down. The complaint requested that OA facilitate dialogue and help resolve the dispute between the company and community. It also requested a review of OPIC's compliance with the Indigenous Peoples and Resettlement policies referenced in OPIC's Environmental Handbook.

An Office of Accountability team including a social anthropologist with extensive Andes experience visited Potosí and met with the requester community and the company in July 2008. OA requires the voluntary agreement of both parties to participate in any OA-facilitated problem-solving dialogue. This condition was not fulfilled.

OA did proceed with a compliance review of OPIC's application of Indigenous Peoples and Resettlement policies to the project and released a Compliance Review Report in February 2009. OA found that, despite identification in the project Environmental Impact Assessment of physical and economic displacement of indigenous households and loss of access to resources, OPIC did not apply the Indigenous Peoples Policy or the Resettlement Policy referenced in OPIC's Environmental Handbook to the project, nor did it document reasonable grounds for not doing so. As a result, OPIC could not assure itself that reasonable measures to provide "net positive benefits" to the requester community, per the Indigenous Peoples standard, or measures to ensure "equal or better" livelihoods for households subject to resettlement were in place.

Based on these findings, OA recommended that OPIC encourage the parties to continue discussions toward an agreed Indigenous Development Plan, and that OPIC develop criteria and procedures to document applicability of Indigenous Peoples and Resettlement policies to OPIC-supported projects. OA further recommended that OPIC strengthen its capacity to apply these policies, and to address physical and economic displacement impacts when they occur in OPIC-supported projects.

OPIC's Preliminary Management Response, released in February 2009, claimed the agency had no obligation to apply World Bank Group Indigenous Peoples and Resettlement policies referenced in its Environmental Handbook. In a subsequent Management Response released in July 2009, OPIC affirmed that it is pursuing the equitable resolution of social conflicts related to the project, including identification of funding sources for a Community Development Plan and development of an implementation mechanism. To improve social outcomes in future projects, management also reported that OPIC has adopted IFC's Social Performance Standards, is preparing a revised Social and Environmental Policy Statement for public comment and is improving OPIC's access to outside social impact assessment expertise.



OA consultant meeting with complainants, Potosí, Bolivia.



Tbilisi, Georgia: in their complaint to Office of Accountability, residents expressed concerns about impacts of the BTC Oil Pipeline Project on water resources.

GEORGIA

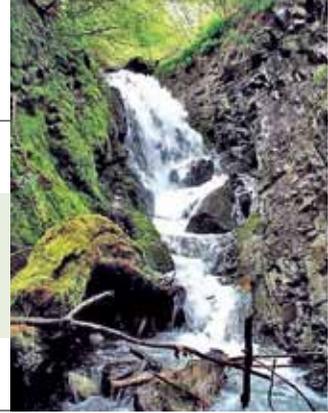
Baku-Tbilisi-Ceyhan Oil Pipeline Project/ Georgia and Azerbaijan

Received March 2006; Final Report January 2007

In March 2006, residents of Georgia and a Georgian NGO, Green Alternative, filed a compliance review complaint regarding the OPIC-insured Baku-Tbilisi-Ceyhan (BTC) Oil Pipeline Project. Beginning near Baku, Azerbaijan, crossing Georgia, and terminating at Ceyhan, on the Mediterranean coast of Turkey, the 1,760-km oil pipeline delivers about one million barrels of crude oil per day. The project's owner and developer, BTC Company, obtained financing from a group of commercial lenders who in

turn contracted with OPIC for up to \$141.8 million in political risk insurance in February 2004.

The complaint raised several issues related to cracks discovered in the joint coatings of pipeline segments in November 2003. The complainants alleged that BTC failed to provide a protective pipeline coating at these points, and claimed a potential pipeline failure would result in pollution of sensitive groundwater aquifers. They also contended that cracks in the pipeline coating and



BTC's failure to inform OPIC of them in a timely manner should have caused OPIC not to support the project, and questioned the adequacy of OPIC's environmental due diligence and monitoring of the project.

An Office of Accountability team, including an independent pipeline corrosion engineer, visited the area in September 2006, met with the complainants and BTC Company, examined pipeline integrity data, and prepared a Compliance Review Report, released in January 2007.

OA found that in conducting environmental due diligence, OPIC did comply with the seven steps in its due diligence process described in the *Environmental Handbook*. However, although pipeline construction began during due diligence, OPIC did not access all construction monitoring data that could be material to due diligence. As a result, although BTC Company documented and began repairing cracked field joint coatings in November 2003, OPIC was not aware of the cracks or the repair program until a February 2004 newspaper article brought the issue to public attention two weeks after commencement of OPIC insurance coverage.

Regarding OPIC's environmental monitoring of the project, OA found two instances in which OPIC did not fully meet its obligations with respect to third-party monitoring: a public summary of annual environmental monitoring data and validation of the self-monitoring methodology.

In its final response to the Compliance Review Report and recommendations, OPIC management requested the company to amend its inspection and monitoring plan to include more frequent cathodic protection, intelligent pigging, leak detection and groundwater monitoring surveys. BTC Company agreed to validate the project's methodology for environmental and social reporting. And OPIC management agreed to make a practice of

requesting and reviewing all available construction monitoring data, not only data labeled "environmental," especially when project construction begins during due diligence.

KENYA

Jopa Villas Project/Nairobi

Received February 2007; not accepted

An individual who had paid a deposit on homes to be constructed in an OPIC-financed housing project near Nairobi filed a problem-solving request in February 2007, seeking Office of Accountability assistance to obtain a refund of his deposit from the project sponsor. Because the requested assistance concerned financial and contractual issues between the requester and the sponsor, which are outside OA's mandate, OA did not accept the request.

PAKISTAN

DG Khan Cement Project/Kahoon Valley

Received November 2005; not accepted

A resident of the Kahoon Valley, about 100 km southwest of Islamabad, Pakistan, filed a problem-solving request regarding the DG Khan Cement Project in November 2005. The request indicated that DG Khan was one of three cement plants simultaneously under construction in the small 20-km by 3-km valley and alleged that the DG Khan Environmental Impact Assessment had not addressed potential cumulative impacts of the three plants. The request also asked OPIC to withdraw financial support from the project. Office of Accountability did not find the request eligible, because the matter was pending in Pakistani courts.

OUTREACH



Office of Accountability, the Compliance Review and Mediation Unit (African Development Bank) and the Compliance Advisor Ombudsman (IFC) listen to concerns of civil society organizations in Accra, Ghana.

Under its Congressional and Board mandate, Office of Accountability must ensure that communities affected by OPIC projects have access to an independent venue and a fair process for raising their concerns. The fact that OPIC operates in 150 countries worldwide poses a global challenge for OA. The communities' often remote locations, technological isolation and unfamiliarity with the use of organized channels to seek recourse from international projects that may adversely impact them complicate OA's efforts to communicate information about OA services in locally understandable terms.



OA'S OUTREACH STRATEGY IS THREE-FOLD:

- Use OA's webpage and the internet to inform project-affected communities and their representatives how to access OA services
- Offer workshops and seminars in capital and major cities of countries where OPIC has projects, targeting civil society

- organizations (CSOs) and community-based organizations to disseminate information to project-affected communities
- Collaborate with counterpart IAMs' outreach efforts.
OA's webpage at opic.gov/doing-business/accountability outlines our processes and procedures, tracks complaints and archives OA reports and associated documents. The webpage provides

information on our problem-solving and compliance review services and procedures in seven languages (Arabic, English, French, Portuguese, Russian, Spanish and Turkish) and includes suggested formats for filing complaints. We publish OA reports on our webpage within 15 business days of their submission to OPIC's President and CEO, together with texts of complaints and OPIC management responses to OA reports. Our online Public Registry records the milestones in processing each complaint and enables requesters to track OA's response to them.

Additional information concerning OPIC's environmental policies and OA's complaint filing process can be found in *Securing Accountability at OPIC: A Citizens Guide to the Accountability Mechanism at the Overseas Private Investment Corporation*, published by the Center for International Environmental Law in 2007 and available online at ciel.org/Publications/OPIC_Oct2007.pdf.

As of mid-2009, OA has participated in outreach meetings, workshops and seminars with civil society and community-based organizations in thirteen countries across three continents, including Bolivia, Brazil, Chile, Colombia and Peru; Russia and Turkey; and Ghana, Kenya, Mozambique, Nigeria, Tunisia and Zambia. CSO representatives from twenty countries have participated in these meetings. Through mid-2009 OA had conducted outreach in four of OPIC's top dozen large portfolio countries. By mid-2010, the number of high-exposure countries visited will increase to nine, as OA's continuing outreach will focus on Mexico, Asia and the Middle East.

To maximize the effectiveness of OA's outreach, we collaborate with counterpart IAMs, including the Office of the Compliance Advisor Ombudsman at IFC and the Compliance Review and Mediation Unit at the African Development Bank (see

Box 3). In the next year, we hope to extend this collaboration to the Independent Investigation Mechanism at the Inter-American Development Bank. Hallmarks of these partnered workshops include learning from the CSOs' experiences with our problem-solving and compliance review processes, and encouraging the building of national accountability networks for continuing communication with participants in the workshops.

An additional venue for sharing good practice is the annual meetings of the Principals of the Independent Accountability Mechanisms, hosted each year by one of the ten IAMs of international financial institutions. Since OA's founding, we have participated in meetings hosted by The Asian Development Bank's Special Project Facilitator and Compliance Review Panel in Manila in 2005, the North American Council for Environmental



Joint outreach in Lusaka, Zambia.



Sixth Annual Meeting of the Principals of the Independent Accountability Mechanisms, Washington, June 2009.

Cooperation's Citizens Submission Unit in Montreal in 2006, the European Bank for Reconstruction and Development's Independent Recourse Mechanism in London in 2007, the African Development Bank's Compliance Review and Mediation Unit in Tunis in 2008, and the IFC's Compliance Advisor Ombudsman in Washington in 2009. The next meeting will be convened by JBIC (Japan Bank for International Cooperation) and NEXI (Nippon Export and Investment Insurance) in Tokyo in 2010.

OA also contributes to seminars on accountability topics, such as a roundtable with Ford Foundation grantees on "how to do accountability" in Santiago, Chile, in March 2006; a seminar on *Independent Recourse Mechanisms, Participation & Enforcement in Project Finance*, preceding the First Inter-American Meeting of Ministers and High-Level Authorities on Sustainable Development, convened by the Organization of American States in Santa Cruz, Bolivia in December 2006; and an *Accountability and Development* seminar at Georgetown University School of Law in March 2008.

Box 3. OUTREACH HIGHLIGHT: OA-CAO WORKSHOPS IN RUSSIA

In July 2008, OA and IFC's Office of the Compliance Advisor Ombudsman held a series of one-day workshops, *Improving Access to the Accountability Mechanisms of the International Finance Institutions: A Workshop with Civil Society Organizations*, in three cities across Russia: Moscow, Novosibirsk and Vladivostok. The workshops were supported by WWF-Russia and drew representatives of 50 civil society and community-based organizations with a focus on environmental law, research, grassroots development, indigenous peoples and governance. The workshops aimed to build awareness of accountability in development project finance, introduce the independent accountability mechanisms and their services, and share experiences from actual cases. Civil society recommendations focused on improving access to project information and building accountability networks for continuing communication.



FUNDING MESSAGE

OA has had administrative budgets of \$28,850 in FY2006, \$22,550 in FY2007, \$44,400 in FY2008, and \$60,520 in FY2009. The Office also draws on project-specific funds in response to complaints: \$160,500 in FY2006, and \$37,600 in FY2008.

OA STAFF

Jean Aden

Director, Office of Accountability

Jean Aden has a background in multilateral lending and compliance management. She began her career with Volunteers in Asia by serving as a lecturer in Indonesian universities. As World Bank environment staff from 1987–2000, she participated in the establishment of the Bank's environmental safeguards and managed the Bank's compliance with environmental assessment policies for its Asia project pipeline. She authored a major environment report on Indonesia utilizing market research techniques to analyze environmental management issues. More recently, she has contributed to the Science, Technology and International Affairs Program at Georgetown University and the International Studies Department at Johns Hopkins University. She obtained her first degree from Stanford University and her Ph.D. from Cornell University. She joined OPIC in January 2005.

HOW TO FILE A COMPLAINT

Complaints should be submitted in writing and may be presented in any language. Complaints should be sent by mail, fax or email, or delivered to the Office of Accountability in Washington, D.C. OA will keep the identity of complainants confidential if requested, but anonymous complaints will not be accepted. Material may also be submitted on a confidential basis to support a complaint and will not be released without the consent of the party or parties that submitted it. Suggested information to be included in a problem-solving or compliance review complaint is available on the OA webpage.

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**ANNEX. CONGRESSIONAL COMMITTEE REPORTS
CONCERNING AN ACCOUNTABILITY MECHANISM
FOR OPIC**

**House of Representatives Report 108-339 and Senate Report
108-194, for the Overseas Private Investment Corporation
Amendments Act of 2003 (Public Law 108-158)**

OPIC and an accountability mechanism and a transparency initiative—The Committee is aware of the establishment in recent years of various mechanisms within multilateral and bilateral financial and export-promotion institutions to increase accountability and transparency of those institutions. These institutions include: the World Bank, the International Finance Corporation, the Asian Development Bank, the Inter-American Development Bank, the Multilateral Investment Guarantee Agency, the European Bank for Reconstruction and Development, the International Monetary Fund, the Export Development Corporation of Canada, and the Japan Bank for International Cooperation. The Committee encourages OPIC to follow the example of the best practices of these

institutions and work with all stakeholders to establish an accountability mechanism and continue its “transparency initiative.”

An accountability mechanism should: evaluate and report on OPIC compliance with environmental, social, labor, human rights, and transparency standards consistent with OPIC statutory mandates; provide a forum for resolving concerns regarding the impacts of specific OPIC-supported projects with respect to such issues; and provide advice regarding OPIC projects, policies and practices. Such a mechanism should also: be transparent in its operations and outputs, and be responsive to stakeholders’ considerations on environmental and social concerns; be accessible to project-affected parties; and insure the independence and integrity of the evaluations and advice provided by the accountability mechanism. With respect to the independence of the accountability mechanism, the Committee urges the Corporation to follow the model of several international financial institutions by providing the mechanism the ability to report directly to the Corporation’s Board of Directors.



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