Overseas Private Investment Corporation

*Procedures Manual*

Office of Investment Policy’s
Environmental and Social/Labor and Human Rights Groups
# Table of Contents

**STATEMENT OF PURPOSE AND OBJECTIVES** ........................................................................................................ 4

**TECHNICAL PROCEDURE NO. 1: SCREENING AND CATEGORIZATION** .................................................. 5

1. **PURPOSE** .................................................................................................................................................. 5

2. **PROCEDURE** ........................................................................................................................................... 5

   2.1. **Initial Review of Available Information** ......................................................................................... 7

   2.2. **Screening** ......................................................................................................................................... 8

   2.3. **Category A Public Consultation Requirements** ............................................................................. 9

   2.4. **Findings and Considerations for the Review Procedure** .......................................................... 9

3. **RESPONSIBILITIES** .............................................................................................................................. 9

4. **REFERENCES** .......................................................................................................................................... 10

5. **RECORDS** ............................................................................................................................................. 10

**TECHNICAL PROCEDURE NO. 2: PROJECT REVIEW** ...................................................................... 11

1. **PURPOSE** .............................................................................................................................................. 11

2. **PROCEDURE** .......................................................................................................................................... 11

   2.1 **Review of Project Documentation** .................................................................................................. 14

   2.2 **Identification of Applicable Standards** ........................................................................................ 14

   2.3 **Site Visits** ......................................................................................................................................... 15

   2.4 **Public Consultation and Disclosure** ............................................................................................. 16

3. **RESPONSIBILITIES** ............................................................................................................................. 16

4. **REFERENCES** .......................................................................................................................................... 17

5. **RECORDS** ............................................................................................................................................... 17

**TECHNICAL PROCEDURE NO. 3: SUMMARY OF CLEARANCE PROCESS** ................................. 18

1. **PURPOSE** .............................................................................................................................................. 18

2. **PROCEDURE** .......................................................................................................................................... 18

   2.1 **Clearance Documentation** ............................................................................................................. 20
2.2 Transmittal of Clearance ................................................................. 22
2.3 Finalization of Contract Provisions ..................................................... 23

3. RESPONSIBILITIES ........................................................................... 23

4. REFERENCES ..................................................................................... 23

5. RECORDS ......................................................................................... 23

TECHNICAL PROCEDURE NO. 4: DISBURSEMENT AND MONITORING ............................................. 24

1. PURPOSE .......................................................................................... 24

2. PROCEDURE ..................................................................................... 24

2.1. Project Requirements Prior to Disbursement .................................... 27

2.2. Environmental and Social/ Labor Monitoring .................................... 27

2.3. Third Party Audits (for Category A or Special Consideration Projects) .............. 27

2.4. Site Monitoring Visits (for all projects) ............................................ 27

2.5. Disclosure ....................................................................................... 28

3. RESPONSIBILITIES .......................................................................... 28

4. REFERENCES ..................................................................................... 28

5. RECORDS ......................................................................................... 28

FIGURES

Figure 1.1 Screening and Categorization Workflow ............................................. 6
Figure 2.1 Environmental and Social/ Labor and Human Rights Review Workflow ............................................. 12
Figure 2.2 Public Consultation and Disclosure Workflow ............................................... 13
Figure 3.1 Summary of Clearance Process Workflow ....................................................... 19
Figure 4.1 Disbursement Workflow ............................................................................. 25
Figure 4.2 Monitoring Workflow ................................................................................ 26

TABLE

Table 2.1 Documentation to be considered (if available) during the review .................. 14

Ver. 1
2012
STATEMENT OF PURPOSE AND OBJECTIVES

This Procedures Manual complements OPIC’s Environmental and Social Policy Statement and is intended for use by the Analysts within the Environmental and Social/Labor and Human Rights Groups within OPIC’s Office of Investment Policy.

The procedures described in this Manual generally reflect existing practice at OPIC in implementing applicable statutory environmental and social provisions, and the International Finance Corporation’s Performance Standards and Guidelines. The manual is a living document; it will continue to evolve as OPIC further refines and exercises its practice of assessing investment opportunities in relation to environmental and social considerations.

Templates and other tools associated with key steps within the procedures will be developed and attached as needed, and are noted in the procedures.

This Manual will be updated as necessary.
1. PURPOSE

This procedure outlines recommended actions designed to assist the Analyst in properly screening and categorizing a potential project in a manner consistent with Section 2 of OPIC’s Environmental and Social Policy Statement (ESPS). In accordance with the ESPS, these steps apply to projects or investments being reviewed collectively by the Environmental and Social (E&S) and Labor and Human Rights (L&HR) Groups.

2. PROCEDURE

The Analyst performs screening as a first step in the project’s environmental and social due diligence.

The procedure outlines an iterative process undertaken with the Applicant, in collaboration with the OPIC lines of business. At any point during the screening and categorization process, the Analyst can request additional project information from the OPIC lines of business to allow for an adequate preliminary review of environmental, social and labor risks and impacts.

If the Analyst identifies what appear to be unmanageable risks, impacts, or activities that may preclude OPIC support, the Analyst should communicate those findings to the OPIC lines of business in a timely fashion.

To the extent possible with the available information, the Analyst: (1) defines the area of influence of the project (i.e., the scope of the project) for the purposes of environmental and social review, including public consultation; (2) identifies the nature and magnitude of possible environmental and social risks and impacts, including those project impacts and/or activities that could preclude OPIC support; (3) provides an initial screening; (4) determines requirements related to the initial screening, including documentation, consultation, disclosure, notification and third party audits; and (5) identifies issues and potential risks to be further examined during the formal project review.

Figure 1.1 provides a graphic representation of the steps, followed by a brief description of each step.
Figure 1.1 Screening and Categorization Workflow

SCRENNING AND CATEGORIZATION

REQUEST FOR CLEARANCE
(or other informal request for review)

Initial Review of Available Project Information

Categorically Prohibited Project? (see Appendix B of ESPS)

Yes

Communicate Findings to OPIC Line Officer

No

If necessary, request additional Project information from Applicant

Screen Project against:
1. Illustrative List of Category A Projects (see Appendix A of ESPS)
2. OPIC/DOS Consultative Human Rights Review Process
3. Labor-Related Risks
4. E&S Risks and Impacts
5. GHG Emission Calculation (if over 100,000 tons CO₂ eq., is Category A)
6. Provisional Categorization (e.g., A, B, C, D, Special Consideration)

Impacts appear unmanageable?

Yes

Notify OPIC Lines of Business of Category A or Special Consideration requirements

No

Category A/Special Consideration?

Yes

E&S/ L&HR REVIEW

No
2.1. Initial Review of Available Information

The Analyst performs an initial review of available project information or documentation provided by the Applicant, or otherwise obtained from knowledgeable third parties. Such information or documentation may include:

- A comprehensive project description, which may include details on project-dependent facilities and infrastructure;
- Area of Influence, as defined in the ESPS;
- The proximity of the project site to and/or potential impacts the project may have on critical forest areas or natural habitats, world heritage sites or areas on the UN list of National Parks and protected areas, IUCN protected areas, forest preserves, wildlife refuges, wetlands, floodplains, freshwater or marine systems, (e.g., www.protectedplanet.net or www.iucn.org), per Performance Standard (PS) 6;
- The proximity of the project site to and/or potential impacts the project may have on sensitive facilities such as schools or hospitals or human settlements;
- The presence of nearby pollution sources (e.g., chemical facilities);
- Areas of contaminated land;
- The presence of indigenous people (PS7);
- Necessity of resettlement (PS5);
- Culturally, historically or archaeologically significant areas (PS8);
- Description of general working conditions, including employment figures and worker demographics, if available;
- Level of host government involvement (used for the OPIC/Department of State [DOS] consultative human rights review), see Section 2.2.3 of this procedure;
- Cumulative impacts (geographic scale and time scale), if available; and
- Description of environmental and social management systems (including human resources management systems and policies), if available.
2.2. Screening

2.2.1. Prohibitions

Based on the information provided by the Applicant, the Analyst screens the project to determine whether any aspects of the project may preclude OPIC support, per OPIC’s ESPS, Sections 2.2 and 2.3, and using OPIC’s list of Categorical Prohibitions (Appendix B of the ESPS). The Analyst then continues to follow the screening and categorization process outlined in the remainder of this procedure.

2.2.2. Illustrative list of Category A Projects

The Analyst screens the project using OPIC’s Illustrative List of Category A Projects (see Appendix A of the ESPS). Although decisions on categorization are made on a case-by-case basis, the illustrative list is indicative of the types of projects that are screened by OPIC as Category A.

2.2.3. OPIC/DOS Consultative Human Rights Review Process

The Analyst screens the project using a mutually agreed-upon process between OPIC and the Department of State (DOS) to ensure that OPIC-supported projects meet the human rights-related statutory requirements of the Foreign Assistance Act (FAA). Such a process is not static, and hence the Analyst should refer to the process in place at the time of the project screening.

2.2.4. Labor-Related Risks

The Analyst screens the project-related information to gauge likely areas and levels of labor rights-related risks, aiding the Analyst to determine whether the project warrants an initial Special Consideration classification, and the commensurate level of review necessary for the formal project review. The determination of Special Consideration classification for a project is made on a case-by-case basis, in consultation with the Vice President of the Office of Investment Policy (VP/OIP).

2.2.5. Project's Environmental and Social Risks and Impacts

The Analyst screens the project-related information for key environmental and social risks and impacts, including the defined area of influence and project affected people, as per Section 2.4 of the ESPS.

2.2.6. Greenhouse Gas Emission Calculation

The Analyst undertakes an initial estimation, based on available project information, of the estimated direct Greenhouse Gas (GHG) emissions.
If the initial calculation exceeds 100,000 tons of CO₂-equivalent (eq), the project will be screened as Category A. Otherwise, the Analyst continues with the provision categorization, as per Section 2.2.7, below.

2.2.7. Provisional Categorization

The Analyst provisionally screens the project based on the guidance provided in Section 2.5 through 2.8 of the ESPS.

The provisional categorization considers Category A, B, C or D based on environmental and social factors. The Analyst may apply a Special Consideration classification to projects based on labor-related factors. Section 2.6 of the ESPS provides a definition and reference for each category.

The provisional categorization is subject to change through the Review Procedure and up until the point of final clearance. Please refer to Technical Procedure N°3 in this manual.

2.3. Category A Public Consultation Requirements

For Category A projects, the Analyst notifies the OPIC Line Officer of the provisional categorization and requests the appropriate documentation (e.g., ESIA or Baseline Audit) and ensures that it is consistent with IFC’s Performance Standard Guidance Note 1 before posting it on the OPIC website for at least 60 days prior to project approval.

2.4. Findings and Considerations for the Review Procedure

The Analyst uses the findings of the screening and categorization to determine the appropriate focus for the E&S/ L&HR Review (see Technical Procedure N°2).

3. RESPONSIBILITIES

The Analyst:

- Identifies the information necessary for screening and categorization and communicates such information needs to the OPIC Line Officer;

- Performs an initial review of the available information to screen the project against OPIC’s Categorical Prohibitions;

- Performs an initial review of the available information to determine the provisional environmental and social categorization of the project (e.g., A, B, C or D) and whether the project warrants a provisional Special Consideration classification for high labor risks.

- Estimates initial GHG emissions;
screening and categorization

- Notes key project information (such as the site location vis-à-vis the locations of internationally designated (IUCN) protected areas) that could categorize a project as Category A or preclude OPIC support;

- Communicates to the OPIC lines of business if a project may be ineligible due to a Categorical Prohibition or if the project has been provisionally screened as Category A or Special Consideration;

- As necessary, requests additional information from Applicant in order to clarify risks or information previously provided; and

- As necessary, solicits information from independent third parties to clarify risks.

4. References


Protected Areas and Important Biodiversity Areas at (e.g., www.protectedplanet.net or www.iucn.org)

Integrated Biodiversity Assessment Tool (www.bat-alliance.org/bat)

IUCN Red List of Threatened Species (www.iucnredlist.org)

5. Records

Documentation received from the investor (e.g., maps, studies, etc.) critical for the categorization of the project (such as business plan or the project location mapping vis-à-vis IUCN protected areas), where deemed necessary.
1. PURPOSE

This procedure outlines actions designed to assist the Analyst in (i) determining whether a project seeking OPIC support can be implemented in accordance with Section 3 of OPIC’s Environmental and Social Policy Statement (ESPS) and (ii) contributing to OPIC’s public consultation and disclosure requirements and timelines consistent with Section 5 of the ESPS. In accordance with the ESPS, these steps apply to projects or investments being reviewed collectively by the Environmental and Social (E&S) and Labor and Human Rights (L&HR) Groups.

2. PROCEDURE

The following steps are undertaken by the Analyst after a project has been screened and categorized, to ensure that a commensurate level of review is conducted and that public consultation and disclosure requirements are met. The procedure outlines an iterative process undertaken with the Applicant and in collaboration with the OPIC lines of business.

At any point in the review, if the Analyst identifies what appears to be significant and unmanaged risk or impact that may exclude OPIC investment or modify the initial screening determination, the Analyst should communicate these concerns to the Line Officer or Project Team.

Figure 2.1 provides a graphic representation of the steps, followed by brief descriptions of each step.
ENIRONMENTAL AND SOCIAL (E&S)/ LABOR AND HUMAN RIGHTS (L&HR) REVIEW

SCREENING AND CATEGORIZATION

Human Rights Consultation with the State Department

Review of Project Documentation (ESIA, audits, etc.)

Any exclusions or unmanageable risks?

Yes → Inform line officer

No → Category A?

Yes → PUBLIC CONSULTATION AND DISCLOSURE
     (See Figure 2.2)

No → Review applicant's ESMS, capacity, practices and consultation processes against ESPS requirements

Site visit required?

Yes → Site assessment

No → Any exclusions or unmanageable risks?

Yes → Inform line officer

No → Gap analysis and confirm categorization

Preparation of contract provisions

SUMMARY OF CLEARANCE
Figure 2.2 Public Consultation and Disclosure Workflow

PUBLIC CONSULTATION AND DISCLOSURE

E&S/ L&HR REVIEW

Yes

Category A?

No

At least 60 days prior to decision meeting:
Send the following for website posting:
- ESIA and baseline audits (including draft remediation plan where applicable)
- Initial project summary

Prior to project decision (IC/Board) meeting:
Send the following for website posting and meeting review:
- Detailed project summaries
- Detailed planned mitigation measures
- Comments received, conduct investigation, prepare responses as needed

Summarize comments and responses in the Clearance

Prior to project decision meeting:
Send summary of the following to line officer for website posting:
1. Screening
2. Applicable Standards
3. Major Risks & Impacts
4. Risk Mitigation
2.1 Review of Project Documentation

The Analyst reviews the appropriate and available documentation, including environmental and social assessments and management systems (including human resources policies and procedures). Such information review allows the Analyst to assess the extent to which the Applicant has identified the impacts and risks and has put measures in place to manage them. Table 2.1 outlines the different kinds of documentation that may be available for review in each category.

Table 2.1 Documentation to be considered (if available) during the review

<table>
<thead>
<tr>
<th>Category A</th>
<th>Category B</th>
<th>Category C</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental and social impact assessments</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Baseline audits</td>
<td>For existing facilities</td>
<td>For existing facilities</td>
</tr>
<tr>
<td>Other audits, analysis, and monitoring or compliance results</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>GHG emissions reports</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Documented community consultation activities and outcomes*</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Documentation related to management systems</td>
<td>ESMS*</td>
<td>ESMS*</td>
</tr>
<tr>
<td>National regulatory requirements</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>

* A review of a project’s Environmental and Social Management System (ESMS) seeks to compare the risks and impacts identified with the management measures in place. Therefore, projects that indicate higher or more complex risks and impacts would indicate a more complex management system. Key components of an ESMS are highlighted in the ESPS in Section 3.8. Further detail for reviewing an Applicant’s consultation practices is included in Section 5.15 of the ESPS and in the Glossary, in the definition of Meaningful Consultation.

2.2 Identification of Applicable Standards

Where appropriate, the Analyst may review other similar or analogous OPIC project reviews to help determine the appropriate application of standards and requirements.

The Analyst compares the project’s management systems and the project’s planned operational practices with the standards and recommended practices in the:
2.3 Site Visits

All Category A projects and some Category B and Special Consideration projects will be subject to site visits. For Category B and Special Consideration projects, any particular gaps identified in the project documentation can be used to determine the need for a site visit. For all projects, the gap analysis can be used to identify the type of deliverables that might be needed to close the identified gaps.

The due diligence site visits help inform the review process and gain further insight into the project’s potential impacts and risks and internal capacity of project management to manage those impacts and risks. A site visit can provide significant project detail that is otherwise unavailable in existing project documentation.

Depending on the project phase, a site visit will typically include:

- Direct observation of project activity (the project can be in any phase of construction or operation) or the proposed project site;
- Discussions with Project Team on project plans and any existing management systems (e.g., human resources policies and grievance mechanisms);
- Review of project documentation located at the project site; and
- Discussions with workers, project affected people and other local stakeholders.
- If appropriate, discussions with local regulatory authorities.

Based on the information obtained during the site visit, it is possible that the initial categorization defined during screening may require modification. This final categorization will be noted in the Clearance document.

In some cases, although a site visit is required and/or deemed appropriate, certain circumstances may prevent such a visit (e.g., security issues or circumstances, lack of U.S. Embassy clearance for the visit, timing of the OPIC project review relative to the project’s current phase). In such a case, the clearance may be issued without undertaking a site visit.
2.4 Public Consultation and Disclosure

The Analyst provides documentation for public disclosure as described below. The timing of the release of the ESIA, baseline audit, project summaries, and other documents is described in Section 5 of the ESPS.

2.4.1 Category A Projects

OPIC provides advance notice and information of Category A projects.

The Analyst posts the project’s ESIA, or for existing projects (such as expansion or rehabilitation), a baseline audit (and remediation plan where applicable) provided by the Applicant, on the OPIC website for a period of not less than 60 days prior to OPIC’s decision to support a project. OPIC discloses the project’s ESIA when the document is determined to be procedurally complete and at the commencement of OPIC’s own review. At the same time, the Analyst prepares an initial project summary for posting on OPIC’s website. The initial project summary typically includes the information described in Section 5.5 of the ESPS.

The Analyst reviews any public comments received with regard to the project, conducts additional investigations if necessary, prepares responses (as necessary) related to environmental and social issues, and posts the responses prior to the Project Decision (Board) Meeting.

2.4.2 Non-Category A, Board-Reviewed Projects

Following completion of the project analysis and as necessary prior to issuance of the final clearance, the Analyst provides a detailed project summary to the project team for posting on the OPIC website prior to Board review.

3. RESPONSIBILITIES

The Analyst:

- Identifies the information required for an appropriate project review and communicates such information needs to the OPIC Line Officer/ Project Applicant;

- Performs the project review, including a site visit (as required or otherwise deemed appropriate). The Environmental and Social Group is responsible for reviewing environmental and social aspects of the projects. The Labor and Human Rights Group is responsible for reviewing workers rights aspects of the project and compliance with OPIC’s statutory obligations related to human rights;

- For Category A projects, contacts the U.S. Embassy for information and guidance regarding regional social or political conditions that may raise the environmental and social risk profile of the project. As appropriate, the analyst will incorporate information about elevated risks into OPIC’s recommendations for the client’s management plans.
• Reviews the Applicant’s action plan (ESAP) to ensure that recommendations have been fully captured and gaps have been addressed;

• Communicates through a clearance to the OPIC Line Officer findings of the analysis and any subsequent recommendations;

• For Category A projects, posts on the OPIC website the project-related ESIA, or for existing projects, a baseline audit (and remediation plans where applicable), and an initial project summary at least 60 days prior to the Project Decision (IC/Board) Meeting;

• Provides relevant input to project summaries to line officers for posting for non-Category A projects; and

• Transmits summaries of any project-related public comments on all Board-level projects and OPIC responses to the OPIC Board.

4. REFERENCES

OPIC Environmental and Social Policy Statement dated October 15, 2010

5. RECORDS

Initial Project Summary

Detailed Project Summary
1. PURPOSE

This procedure summarizes actions undertaken by the Analyst to document OPIC’s environmental and social, and labor and human rights assessments of an OPIC project, in accordance with OPIC’s Environmental and Social Policy Statement (ESPS). The clearance document provides a summary of the review findings and the recommendations that will define the Applicant’s responsibilities and forms the basis against which project performance will be monitored and evaluated during the term of OPIC support. In accordance with the ESPS, these steps apply to projects or investments being cleared collectively by the Environmental and Social (E&S) and Labor and Human Rights (L&HR) Groups.

2. PROCEDURE

The Analyst performs the following steps upon finalizing the E&S/ L&HR Review of a project.

Figure 3.1 provides a graphic representation of the steps, followed by brief descriptions of each step.
Figure 3.1 Summary of Clearance Process Workflow

SUMMARY OF CLEARANCE PROCESS

- E&S/ L&HR REVIEW
  - Definitive categorization and results of screening
  - Document findings of analysis and recommendations for contract conditions according to Clearance Template
  - Send formal Clearance to Line of Business and Legal Department
  - Record Clearance in accordance with established record-keeping procedures
  - Review final contract/language accuracy
  - CONTRACT OR CONSENT
2.1 Clearance Documentation

The aspects identified below represent sections of the Clearance document. To a great extent, the depth and detail of project review information provided in the Clearance will vary, as dictated by the scope of the impacts and risks associated with the project.

2.1.1 Environmental Clearance

Project Description

The Analyst describes the following:

- U.S. Sponsor, Insured or Investment Fund (including percentage ownership);
- Operational details of the project, for example associated facilities, anticipated or actual footprint, geographic location, and nearby towns or landmarks; and
- Area of influence (at a minimum, project location).

Screening

The Analyst documents:

- Categorical eligibility;
- The project categorization;
- The reason for the category; and
- The anticipated or demonstrated major risks and impacts associated with the project.

Scope of Review

The Analyst indicates the documentation and other sources of information used to review the project including any stakeholder engagement undertaken during a due diligence site visit and the dates of any site visits.

Applicable Standards

The Analyst identifies performance standards triggered by the project and any IFC/World Bank Group EHS Guidelines and other standards applicable to the project. The Analyst also identifies the reasons why certain performance standards are not triggered by a project.

Key Environmental and Social Issues and Mitigation

The Analyst should refer to the applicable Guidelines for guidance on information to be included in this section.
SUMMARY OF CLEARANCE PROCESS

The Analyst describes the relevant elements of the Applicant’s management systems, practices, and capacity designed to manage the identified impacts and risks. This section should provide a comprehensive overview and identify findings of the review, including any primary findings from due diligence site visits. Where an independent engineer’s review was required for the project, the findings of that review may be noted in this section, if available at the time of clearance. For gaps identified in management systems and practices, the Analyst describes the conditions that OPIC will require. These conditions, including any deliverables, may be included in the Environmental and Social Action Plan (ESAP) for the project or in a project agreement in the form of an affirmative or negative covenant. **Recommendations**

The Analyst provides recommendations for:

- Affirmative and negative covenants; and

- Action Plan which will include applicable standards, deliverables and other actions with dates.

- Required schedule for completion/implementation of time sensitive actions necessary to mitigate environmental and social risks, including grievance mechanisms and management systems. The deadline for completing such actions should be commensurate with the magnitude of the risks, activities and schedule of the project.

**Public Project Summary**

The Analyst prepares a brief summary of key aspects of the project for public disclosure in accordance with the disclosure requirements stated in the ESPS.

**2.1.2 Worker Rights Clearance**

The following information is typically included in a Worker Rights Clearance document.

- **Project Description**

  The Analyst describes project activities, including the available information on the Applicant’s management systems and practices (e.g., human resources policies). The project description should provide a project overview and identify findings of the review, including primary findings from due diligence site visits (if any). If the project is classified as Special Consideration, the Analyst describes the rationale for the classification.

- **Scope of Review**

  The Analyst indicates the documentation and other sources of information used to review the project.
• **Recommendations**

The Analyst identifies the IFC Performance Standards and any recommendation related to Internationally Recognized Worker Rights that are triggered by the project’s labor review. The Analyst provides recommendations for:

- Any affirmative and/or negative covenants; and

- If necessary, an Action Plan, which will include applicable standards, deliverables (e.g., human resources policies, outline of grievance mechanism, etc.) and other actions with dates.

• **Public Project Summary**

The Analyst prepares a brief summary of key recommendations of the project for public disclosure. If the project is classified as Special Consideration, the Analyst includes a summary of the rationale for the classification.

2.1.3 **Human Rights**

The following information is typically included in a Human Rights Clearance document.

• **Date of Clearance**

The Analyst provides the date on which OPIC issued the Human Rights Clearance.

• **OPIC/State Department Consultation**

The Analyst provides a brief description of how the project was cleared, in accordance with the mutually-agreed OPIC-State consultation process.

• **Public Project Summary**

The Analyst provides the date on which the project was cleared.

2.2 **Transmittal of Clearance**

The Analyst sends an electronic copy of the Clearance to the Line of Business and Legal Affairs Department and records signed copies of the clearance in accordance with OPIC’s records procedure.
2.3 Finalization of Contract Provisions

The Analyst notes in the Clearance any recommendations that are necessary to bring the project into compliance with the ESPS and:

- Brings to the attention of the OPIC Line Officer any recommendations that may require particular resources by the Applicant;
- Notes them as recommendations for inclusion in the appropriate OPIC legal documents;
- Is available for discussions with the Applicant for follow-up questions regarding the review and guidance on final recommendations; and
- Reviews draft contract.

3. RESPONSIBILITIES

The Analyst:

- Prepares the Clearance documentation; and
- Reviews Agreements incorporating E&S/L&HR recommendations to ensure accuracy of the E&S/L&HR project recommendations.

Other responsibilities related to Clearance include providing responses to any Investment Committee or Board of Directors questions related to E&S/L&HR project reviews and final determinations.

4. REFERENCES

OPIC Environmental and Social Policy Statement dated October 15, 2010

5. RECORDS

Final Clearance documentation
1. PURPOSE

Document a summary of the actions necessary for an Analyst monitoring OPIC-supported projects’ compliance with the environmental and social performance requirements consistent with Section 7 of OPIC’s Environmental and Social Policy Statement (ESPS). In accordance with the ESPS, these steps apply to projects or investments being reviewed collectively by the Environmental and Social (E&S) and Labor and Human Rights (L&HR) Groups.

2. PROCEDURE

These steps are undertaken by the Analyst after the execution of an OPIC Agreement to ensure that the environmental, social, and labor recommendations (and underlying representations) that are reflected in the conditions and covenants of the Agreement are implemented by the project in a manner consistent with OPIC’s ESPS.

At any point in time during the review of conditions prior to disbursement or during E&S/L&HR monitoring, if the Analyst identifies any material risks, the Analyst (1) informs the Vice President of Investment Policy and (2) communicates the concerns to the Origination Team or PMD officer assigned to the project and OPIC’s Legal Affairs Department. If deemed necessary, the Analyst works with the Origination Team or PMD officer assigned to the project and OPIC’s Legal Affairs Department to have a corrective action or remediation plan developed to address identified risks.

The scope, timing and periodicity of any monitoring site visits are described in Section 7.3 of the ESPS.

Figures 4.1 and 4.2 provide a graphic representation of the disbursement and monitoring steps, followed by brief descriptions of each step.
Figure 4.1 Disbursement Workflow

DISBURSEMENT

CONTRACT OR CONSENT

Receipt of notification of upcoming disbursement

Review Applicant's deliverables stipulated in the Contract or Agreement (including ESAP items, if applicable)

Any material risks?

Yes

Inform OPIC Project Team of concerns

No

No further actions required
Figure 4.2 Monitoring Workflow

MONITORING

Review deliverables required in OPIC Agreement

Schedule site visit under normal schedule

Category A or Special Consideration?

Yes

Schedule site visit as priority in annual site visit schedule

No

Any material risks?

Prepare trip report

No

Yes

1. Inform VP OIP
2. Communicate concerns to Origination Team or PMD Officer and Legal Affairs Department
3. Work with Origination Team or PMD Officer and Legal to develop corrective action plan (if necessary)

Any material risks?
2.1. Project Requirements Prior to Disbursement

Upon receipt of notification of an upcoming project disbursement, the Analyst reviews any required project documentation provided by the Applicant and applicable Contract provisions. Documentation to be considered in the review may include deliverables stipulated in the Contract that are required before disbursement. Any deficiencies noted should be immediately conveyed to the project team.

Any corrective action or remediation plan resulting from performance evaluation will become the basis for any future monitoring by the Analyst.

2.2. Environmental and Social/Labor Monitoring

During the life of OPIC’s support of a project, the Analyst conducts E&S/ Labor monitoring, as stipulated in the Contract. Monitoring may include the review of any required deliverables provided by the Applicant or site monitoring.

For Category A or Special Consideration projects, site monitoring visits (refer to 2.4) and third party audits (refer to 2.3.) are conducted.

2.3. Third Party Audits (for Category A or Special Consideration Projects)

A third-party audit is required for all Category A and Special Considerations projects, as described in Sections 7.9, 7.10 and 7.11 of the ESPS.

The Analyst approves the scope of work for the audit and selection of third-party auditors. The third-party auditor certifies the project’s compliance with the covenants of the Agreement and prepares a summary of the audit findings that may be used for public disclosure on OPIC’s website. The Analyst communicates the certification and summary of findings to the OPIC Line Officer, the Project Monitoring Department and Legal Affairs.

2.4. Site Monitoring Visits (for all projects)

The Analyst, or designated consultants, may undertake site visits to OPIC-supported projects as described in Section 7.3 of the ESPS.

A site monitoring visit may include:

- Review of existing environmental, social and labor documentation provided by the Applicant and other knowledgeable third parties;
- Inspection of project site facilities and area of influence (see Technical Procedure № 3 for further detail);
- Meetings with company’s project management, including any representatives from the environmental, social and human resources teams;
• Interviews with workers and/or worker representatives; and

• Interviews with key stakeholders, if applicable (e.g., local authorities, government agencies, project affected people, etc.)

The Analyst prepares a trip report describing the findings of the site visit. In case of material non-compliance, the Analyst refers the findings to the Vice President of Investment Policy and the Legal Affairs Department and works with Legal Affairs to put a corrective action plan in place, if required. The Analyst also notifies the lines of any findings relating to material non-compliance.

2.5. Disclosure

E&S trip reports summaries are disclosed on OPIC’s web site. The Environmental Analyst transmits these summaries to the project team for client review prior to disclosure.

3. RESPONSIBILITIES

The Analyst:

• Monitors that the project meets the E&S/ L&HR recommendations included in the OPIC Agreement;

• Reviews project deliverables stipulated in the OPIC Agreement including ESAP items where existent;

• Undertakes site visits and prepares trip reports;

• Reviews third-party audit’s scope of work, summary of findings and certification, where applicable;

• Where there is a material risk, reviews corrective action or remediation plans prepared by client as deemed appropriate; and

• Recommends the inclusion of corrective action or remediation plan as a Contract Amendment, if deemed necessary.

4. REFERENCES

Environmental and Social Policy Statement dated October 15, 2011

5. RECORDS

Annual Environmental and Social Performance Reports

Annual Labor Reports for Special Consideration Projects

Trip Reports
Third Party Certifications

Corrective Action or Remediation Plans