

OPIC



Overseas Private Investment Corporation 2012
Strategic Sustainability Performance Plan

November 16, 2012

OPIC 2012 Strategic Sustainability Performance Plan

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POLICY STATEMENT

The Overseas Private Investment Corporation (OPIC) is the U.S. Government's development finance institution. It mobilizes private capital to help solve critical world challenges and in doing so, advances U.S. foreign policy. OPIC achieves its mission by providing investors with financing, guarantees, political risk insurance, and support for private equity investment funds. OPIC's history of successfully engaging the U.S. private sector in overseas investment has positively influenced the environmental impacts of its projects, by encouraging U.S. companies to incorporate internationally-recognized environmental sustainability measures into those projects.

OPIC is committed to working with the Administration and the global community to achieve the goals of Executive Order 13514. OPIC recognizes the importance of this initiative and continues to explore ways to reduce its own greenhouse gas (GHG) emissions and in fulfilling its mission, expand support for projects in the renewable energy, clean technology and energy efficiency sectors. OPIC has prioritized supporting projects and policies that help emerging and developing countries meet their energy needs in an environmentally responsible manner. Specifically, OPIC has implemented a GHG Initiative that moves the agency in this direction by directly addressing emissions and by partnering with the private sector to support renewable energy, clean technology and energy efficiency projects that will provide energy and spur growth while protecting the environment in developing countries.

With a strong focus on the renewable resources sector, OPIC is working with the U.S. business community to identify projects in emerging markets that promote the global renewable energy and energy efficiency sectors, as well as the sustainable utilization of natural resources such as water, land, and forests. Working with the Administration's International Clean Energy Assistance initiative, OPIC will increase its efforts to support U.S. private investment in renewable energy, clean technology, and energy efficiency projects. Investments in other critical natural resources such as agriculture and water will also be prioritized.

Through its appraisal and monitoring process, OPIC ensures that all projects that it supports are environmentally and socially sustainable, respect the rights of workers and communities, and are designed and operated in compliance with applicable regulatory requirements and good international practice. OPIC is committed to supporting low or no-carbon economic development and to making sure that negative impacts are avoided, reduced, restored, or otherwise mitigated.

EXECUTIVE SUMMARY

The Overseas Private Investment Corporation (OPIC) was established as an agency of the U.S. government in 1971 and is the U.S. Government's development finance institution. OPIC is committed to working with the Administration and the global community to achieve the goals of Executive Order 13514. OPIC mobilizes foreign capital to help solve critical world challenges and in doing so, advances U.S. foreign policy. Because OPIC works with the U.S. private sector, it helps U.S. businesses gain footholds in emerging markets catalyzing revenues, jobs and growth opportunities both at home and abroad. OPIC fosters economic development in emerging and developing countries, complements the private sector in managing risks associated with foreign direct investment, and supports U.S. foreign policy. OPIC's history of successfully engaging the U.S. private sector in overseas investment has positively influenced the environmental impacts of its projects, by encouraging U.S. companies to incorporate internationally-recognized environmental sustainability measures into those projects.

OPIC recognizes the importance of this initiative and continues to explore ways to reduce its own greenhouse gas (GHG) emissions and in fulfilling its mission, expand support for projects in the renewable energy sector. OPIC has prioritized supporting projects and policies that help emerging and developing countries meet their energy needs in an environmentally responsible manner. Specifically, OPIC has implemented a GHG Initiative that moves the agency in this direction by directly addressing emissions and by partnering with the private sector to support projects and clean technology that will provide energy and spur growth while protecting the environment in developing countries.

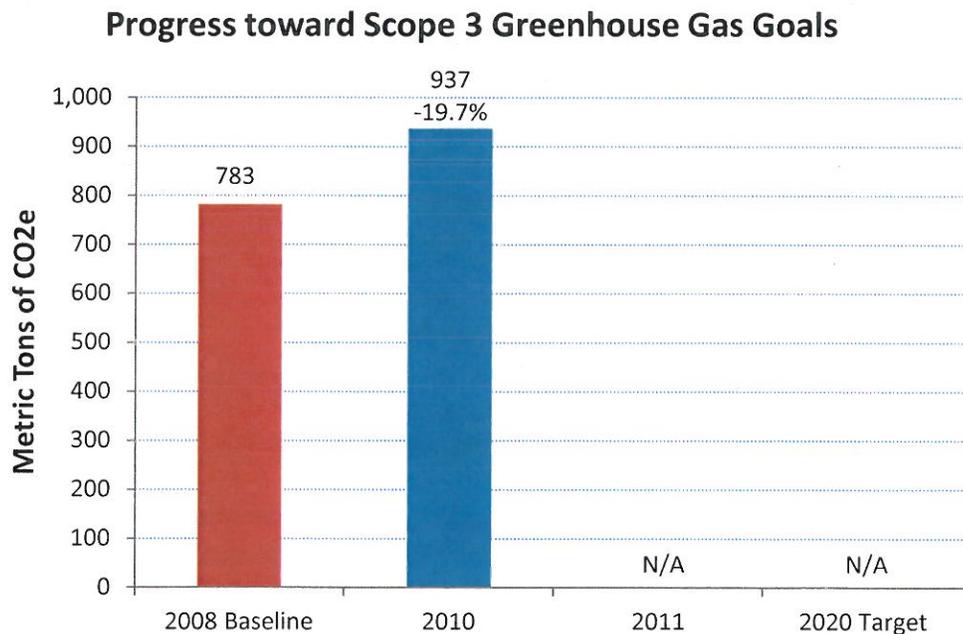
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TABLE 1: SIZE AND SCOPE OF AGENCY OPERATIONS

Agency Size and Scope	FY 2011
Total Number of Employees as Reported in the President's Budget	230
Total Acres of Land Managed	0
Total Number of Facilities Owned	0
Total Number of Facilities Leased (GSA and Non-GSA lease)	0
Total Facility Gross Square Feet (GSF)	117,799
Operates in Number of Locations Throughout U.S.	1
Operates in Number of Locations Outside of U.S.	0
Total Number of Fleet Vehicles Owned	1
Total Number of Fleet Vehicles Leased	1

GOAL 1: GREENHOUSE GAS REDUCTION AND MAINTENANCE OF AGENCY COMPREHENSIVE GREENHOUSE GAS INVENTORY

Agency-Specific Performance Metrics for Scope 3 GHG Emissions Reduction:



Note: E.O. 13514 requires each agency to establish a scope 3 GHG reduction target for FY2020. The agency has not set a target for FY2020. The red bar represents the agency's FY2008 baseline. The green bar represents the FY2020 target reduction. The blue bars show actual status in relationship to the target. The percentage on each bar shows the reduction or increase from the FY2008 baseline. A negative percentage reflects an increase in scope 3 GHG emissions.

APPENDIX 1: CLIMATE CHANGE ADAPTATION PLAN

OPIC is the U.S. Government's development finance institution. It mobilizes private capital to help solve critical world challenges and in doing so, advances U.S. foreign policy. Because OPIC works with the U.S. private sector, it helps U.S. businesses gain footholds in emerging markets catalyzing revenues, jobs and growth opportunities both at home and abroad. OPIC achieves its mission by providing investors with financing, guarantees, political risk insurance, and support for private equity investment funds. OPIC's history of successfully engaging the U.S. private sector in overseas investment has positively influenced the environmental impacts of its projects, by encouraging U.S. companies to incorporate internationally-recognized environmental sustainability measures into those projects.

OPIC recognizes that climate change poses threats to sustained economic growth, poverty reduction, quality of life, and world-wide political stability and is committed to working with the Administration and the global community to support climate change initiatives. OPIC has been a pioneer among development finance institutions with respect to climate change mitigation policies. With a strong focus on the renewable resources sector, OPIC is working with the U.S. business community to identify projects in emerging markets that promote the global renewable energy and energy efficiency sectors, as well as the sustainable utilization of natural resources such as water, land and forests.

OPIC has been a leader among development finance institutions in developing and applying environmental and social policies that advance long-term sustainable development and has committed to reducing greenhouse gas emissions in its project portfolio. It recognizes that climate change is no longer just an environmental or energy issue; it also has implications for health, economic stability and food security. OPIC will increase its efforts to support U.S. private investment in renewable energy, clean technology, and energy efficient projects. Investments in other critical natural resources such as agriculture and water will also be prioritized. OPIC will deploy its full suite of products and services to serve these objectives and will continue its support for other aspects of sustainable development such as food security, housing, microfinance and technology.

We must consider and assess climate related risks, challenges and vulnerabilities, improve our capability to anticipate future conditions and impact, and evaluate and implement adaptation options, methods or policies that address climate change related risks as appropriate within our portfolio. We must integrate climate change adaptation into project planning to improve the resilience and sustainability of our development efforts and screen projects proposed for OPIC support for vulnerability to climate change.

Projects in which climate variability is likely to compromise integrity, effectiveness, longevity or financial viability of a project include:

- a. Agriculture, forestry, fisheries and ecosystem-dependant enterprises such as tourism.
- b. Water resource-dependant projects including water supply, wastewater treatment and hydroelectric power projects
- c. Project involving settlements or industries in coastal or water-scarce areas.

Climate change vulnerability may be required to be addressed in Environmental and Social Impact Assessments prepared for certain high risk projects. Independent Engineer scopes-of work will include, when appropriate, sensitivity analyses on the ability of infrastructure projects to withstand climate perturbations.

Adaptations necessary to improve the resiliency of projects proposed for OPIC support must be identified. Examples of adaptive response that may be included in OPIC-supported projects include:

- a. Introduction of drought resistant crops in agriculture projects and other agricultural best management practices.
- b. Support for afforestation and reforestation and other ecosystem services (i.e., protection of wetlands) efforts in project areas.
- c. Improved water use efficiency.
- d. Expanding and adjusting micro-credit programs such as by allowing for seasonality in repayment schedules
- e. Financing for scaling up climate-resilient residential infrastructure (e.g. water tanks, and disaster-resilient housing).
- f. Enhanced design in coastal zone infrastructure.
- g. Improved forest management to reduce fire potential.
- h. Enhanced dam design to withstand revised estimates of probably maximum floods.
- i. Enhanced emergency response and early warning system capability.
- j. Enhanced stormwater management for projects in urban areas

OPIC also may assist investors to identify sources of grant funding for adaptation if the measures required to improve resilience are either outside of the investor's expertise or if the cost of the adaptation would make the project commercially unviable.

OPIC requires investors to implement appropriate measures to mitigate potential environmental and social impacts from OPIC-supported projects. These mitigation measures are included in OPIC agreements as conditions and covenants. OPIC will, where appropriate, include measures related to climate change adaptation in its covenants.

With respect to implementation and monitoring, OPIC monitors project compliance with all environmental and social requirements (including those related to adaptation) that are reflected in conditions and covenants in OPIC agreements. OPIC recognizes that effective management programs have an adaptive approach and encourages investors to develop and implement policies and procedures that help adjust and adapt actions and mitigation measures in response to environmental monitoring data. OPIC monitoring of projects may result in findings that investors need to carry out additional actions to ensure the resiliency of projects.

OPIC's role in addressing the impact of climate change is to develop partnerships and programs that promote economic growth and environmental protection through cleaner energy sources, greater energy efficiency, and other strategies that encourage sustainable development. OPIC will continue to develop strategic approaches to support climate resilient development, foster low-carbon growth and promote sustainable projects to help reduce vulnerabilities to long-term climate change impacts, by continuing to work with the U.S. business community on new project initiatives. OPIC will continue to explore opportunities to collaborate with other agencies and organizations and build partnerships with public and private stakeholders, analyze how climate change may impact our policies and programs and continually assess and improve our capability to advance and develop international climate and related energy partnerships.

APPENDIX 2: BIOBASED PURCHASING STRATEGY

On February 21, 2012, President Obama signed a Memorandum, *Driving Innovation and Creating Jobs in Rural America through Biobased and Sustainable Product Procurement*. The memorandum requires all federal agencies to undertake a number of activities to increase their purchase of biobased products.

OPIC leases space in a commercial building and has limited input into its design. Janitorial services and utilities are all inclusive in the lease. OPIC is committed to the principles and practices of sustainable acquisitions and will continue to explore opportunities with vendors and contractors regarding ways to leverage acquisitions for sustainable and environmentally preferable materials, products and services that meet our requirements. As feasible, OPIC will incorporate appropriate language and clauses into solicitations, contracts and contract modifications for the procurement of products and services that are energy efficient, water efficient, bio-based, environmentally preferable, non-ozone depleting, contain recycled content, or are non-toxic or less toxic alternatives. OPIC acquisitions workforce will identify applicable training for staff.