

**OVERSEAS PRIVATE INVESTMENT CORPORATION
MINUTES OF THE OPEN SESSION OF THE MARCH 20, 2019
BOARD OF DIRECTORS MEETING**

Directors:

David S. Bohigian, Acting President & CEO, Overseas Private Investment Corporation, Chair
Mark Green, Administrator, U.S. Agency for International Development
Curtis J. Mahoney, Deputy U.S. Trade Representative
John Sullivan, Deputy Secretary, U.S. Department of State
Todd Fisher, Director, Overseas Private Investment Corporation
Terry Lewis, Principal, LIA Advisors, LLC
Deven Parekh, Insight Venture Partners (*via telephone*)
Michael Warren, Managing Principal, Albright Stonebridge Group

Other Attendees:

Karl Fickenscher, U.S. Agency for International Development
Matt Austin, U.S. Agency for International Development
Sam DuPont, Office of the United States Trade Representative
Michael C. Fuchs, U.S. Department of Commerce
Karen Travis, U.S. Department of Labor
Jeffrey Baker, U.S. Department of the Treasury
Patrick Chow, U.S. Department of State
Roland DeMarcellus, U.S. Department of State
John Donahue, U.S. Department of State
Pamela Phan, U.S. Department of State
Cassandra Waters, Global Workers Rights Specialist, American Federation of Labor & Congress
of Industrial Organizations (AFL-CIO)

OPIC Attendees:

Office of the President

Douglas Sellers, Chief of Staff and OPIC Board Liaison
Eric Jones, Senior Advisor
Frank Dunlevy, Counselor to the President and CEO, and Vice President, Investment Funds

Office of the Chief Financial Officer

Mildred O. Callear, Vice President & Chief Financial Officer
Allan Villabroza, Deputy Vice President and Treasurer

Office of Investment Policy

Ryan Brennan, Vice President
Mary S. Boomgard, Managing Director, Environmental Impact Analysis Group
Lori Leonard, Managing Director, Economic & Development Impact

Katherine Dunbar, Director, Social Assessment

Structured Finance and Insurance Department

Tracey L. Webb, Vice President
Philip Lam, Managing Director
Nancy Rivera, Managing Director
Sara Mareno, Director
Harris Mehos, Director
Christopher Shybut, Director
Emily Clark, Associate Director

Small and Medium Enterprise Finance Department

James C. Polan, Vice President
Michael Ratliff, Managing Director
Brian Whitesides, Director
Darshan Patel, Associate Director

Investment Funds Department

Adam McConagha, Managing Director
Jane Brett, Director

Office of External Affairs

Edward Burrier, Vice President

Legal Affairs Department

William Doffermyre, Vice President and General Counsel and Counsel to the Board
Cameron Alford, Deputy General Counsel
Dev Jagadesan, Deputy General Counsel
Amy Bailey, Associate General Counsel
Alex Evans, Associate General Counsel
Cindy Shepard, Associate General Counsel
Andrea Keller, Assistant General Counsel
Gavin McKeon, Assistant General Counsel
Varsha Trottman, Assistant General Counsel
Catherine F. I. Andrade, Corporate Secretary

Department of Management and Administration

Michele Perez, Vice President

MEETING CALLED TO ORDER

Mr. Bohigian called the open session of the meeting of the OPIC Board of Directors (“Board”) to order at 2:16 PM¹. Mr. Bohigian acknowledged Mr. Parekh’s participation of by telephone.

A. PRESIDENT’S REPORT

Mr. Bohigian presented his President’s Report, a copy of which is incorporated by reference into these minutes as Attachment B.

B. TRIBUTES

Mr. Bohigian introduced a tribute to James Demers. Ms. Lewis moved and Mr. Fisher seconded the motion to approve the tribute, and by voice vote the following tribute was approved by the Board:

WHEREAS The Honorable James M. Demers began his service as a Director of the Corporation on January 7, 2013;

WHEREAS his valuable leadership, counsel, and guidance to the Corporation and his dedication to the objectives of the Corporation have earned him the esteem and respect of his fellow Directors and of the Corporation’s Management and staff; and

WHEREAS Mr. Demers’ service as a Director of the Corporation ended on January 31, 2019;

THEREFORE BE IT RESOLVED that this Board notes with regret the departure of Mr. Demers from the Board of Directors, and expresses to him the appreciation and gratitude of his colleagues and their high regard for him as a friend and associate.

Mr. Bohigian introduced a tribute to former President & Chief Executive Officer Ray Washburne. Amb. Green moved and Ms. Lewis seconded the motion to approve the tribute, and by voice vote the following tribute was approved by the Board:

WHEREAS The Honorable Ray W. Washburne began his service as President and Chief Executive Officer of OPIC on August 9, 2017;

WHEREAS his leadership in advancing the Better Utilization of Investments Leading to Development (BUILD) Act into law resulted in the biggest advance in U.S. development policy in a generation;

¹ OPIC’s Annual Hearing was held at 2 pm, Wednesday, March 20, 2019. A summary of the Annual Hearing is incorporated into these minutes as Attachment A.

WHEREAS his valuable leadership, counsel and guidance to the Corporation and his dedication to the mission of the Corporation have earned him the esteem and respect of his fellow Directors and of the Corporation's staff; and

WHEREAS Mr. Washburne's service to the Corporation ended on February 28, 2019;

THEREFORE BE IT RESOLVED that this Board expresses to him the appreciation and gratitude of his colleagues and their high regard for him as a friend and associate.

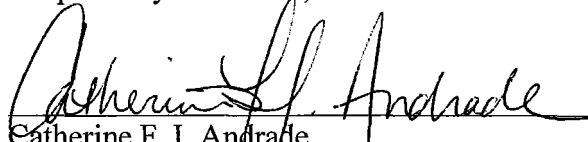
Mr. Bohigian informed the Board that Mr. Sellers would be soon leaving OPIC for a new opportunity. Mr. Jones will assume the role of Chief of Staff following Mr. Sellers' departure. Mr. Bohigian further informed the Board that Mr. Brennan would be assuming the responsibilities of the Executive Vice President, though not the title, as he, Mr. Bohigian, still encumbers the position.

C. MINUTES

Mr. Bohigian turned to the approval of the minutes of the Open Session of the December 13, 2018, Board meeting. Mr. Warren moved and Amb. Green seconded the motion to approve the minutes and by voice vote the minutes were approved.

Mr. Bohigian closed the meeting to the public at 2:25 PM.

Respectfully submitted,



Catherine F. I. Andrade
Corporate Secretary

Attachment A

Overseas Private Investment Corporation Annual Hearing March 20, 2019, 2 PM Summary

The Annual Hearing took place in the offices of the Corporation and commenced at 2:04 PM on Wednesday, March 20, 2019.

Directors:

David S. Bohigian, Acting President & CEO, Overseas Private Investment Corporation, Chair
Mark Green, Administrator, U.S. Agency for International Development
Curtis J. Mahoney, Deputy U.S. Trade Representative
John Sullivan, Deputy Secretary, U.S. Department of State
Todd Fisher, Director, Overseas Private Investment Corporation
Terry Lewis, Principal, LIA Advisors, LLC
Deven Parekh, Insight Venture Partners (*via telephone*)
Michael Warren, Managing Principal, Albright Stonebridge Group

Other Attendees:

Karl Fickenscher, U.S. Agency for International Development
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Karen Travis, U.S. Department of Labor
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Gavin McKeon, Assistant General Counsel

Varsha Trottman, Assistant General Counsel

Catherine F. I. Andrade, Corporate Secretary

Department of Management and Administration

Michele Perez, Vice President

I. Opening Remarks

Mr. Bohigian called the Annual Hearing to order at 2:04 PM. Mr. Bohigian stated that OPIC received notice from one party on their desire to address the hearing orally.

II. Oral Testimony

A. American Federation of Labor & Congress of Industrial Organizations (AFL-CIO)

Mr. Bohigian called on the representative from AFL-CIO to address the Annual Hearing¹.

Ms. Waters stated that AFL-CIO welcomed the creation of the United States International Development Finance Corporation (“DFC”) and stated that AFL-CIO sought to provide suggestions for appropriate safeguards necessary to protect worker rights in the execution of the DFC’s investments projects.

Ms. Waters noted a recent audit report from the U.S. Agency for International Development – Office of Inspector General, recalled its findings related to OPIC’s Grupo Jaremar project in Honduras.

Ms. Waters provided the following recommendations for the DFC:

- Include individuals with labor rights backgrounds throughout the DFC’s executive management, including the Board of Directors, the Risk Committee of the Board, and the Development Advisory Council, and include labor rights experts in the staff tasked with project assessment and implementation;
- Engage in robust stakeholder engagement;
- Establish clear eligibility criteria to assess potential private sector partners;
- Conduct project impact assessments, to include how projects would advance labor relations in a host country;
- Accurately analyze country conditions and not engage with countries that are not in substantial compliance with internationally recognized worker rights;
- Take a proactive approach to ensure that workers are trained on their rights at the time of hiring;
- Engage in more overall site visits and adopt best practices related to labor relations;
- Prioritize an independent complaints mechanism; and
- Develop metrics for information disclosure, informed by community consultations, to ensure transparency and accountability.

Mr. Bohigian thanked Ms. Waters for her remarks.

Mr. Bohigian noted that OPIC management’s next regularly scheduled public hearing will take place in conjunction with the June 2019 Board meeting.

Mr. Bohigian closed the Annual Hearing at 2:15 PM.

¹ In addition to oral comments, Ms. Waters submitted a written statement, incorporated into these minutes as Attachment A-1.

Attachment A-1

Written Statement of the American Federation of Labor & Congress of Industrial Organizations (AFL-CIO)

OPIC Annual Hearing

March 13, 2018

The AFL-CIO welcomes the creation of the United States International Development Finance Corporation (hereinafter “the Corporation”) and efforts by the United States government to support inclusive economic growth globally. We hope to work with the Overseas Private Investment Corporation (OPIC) in this transition period to develop robust project selection criteria and oversight mechanisms that will deliver on the Corporation’s mandate to create shared, sustainable prosperity.

Foreign direct investment has the potential to positively impact development by providing access to new employment, skills, and technology. However, without adequate safeguards, such investment can harm communities and undermine environmental, social, and labor protections. We are concerned there are serious deficiencies in OPIC’s current processes and practices, including the way the agency assesses development impact, approves and monitors projects and reports results.¹ It is our hope that the transition process will include a frank assessment of these systemic shortcomings and incorporate lessons learned to ensure intended benefits actually materialize and that they are shared equitably.

To fulfill the need for development-enhancing foreign direct investment not currently being met by the private market, the Corporation must set the highest possible standards, and ensure transparency, accessibility and accountability throughout the life of the project. These processes should be guided by best practices as defined in the UN Guiding Principles on Business and Human Rights, the ILO Declaration of Principles concerning Multinational Enterprises and Social Policy and the OECD Guidelines for Multinational Enterprises. This not only will ensure the Corporation meets its mandate with respect to development outcomes, it presents a compelling alternative to low-road development financing that is non-transparent, unaccountable and not focused on ensuring respect for fundamental rights and long-term prosperity.

Current Due Diligence Mechanisms Are Inadequate and Have Resulted in Poor Development Outcomes

The AFL-CIO is encouraged to see statutory requirements in the BUILD Act that require the Corporation to develop standards for measuring projected and ex-post development impacts,

¹ These shortcomings are discussed in Audit Report: OPIC Investments Increased Chile’s Energy Capacity, but Weak Processes and Internal Controls Diminish OPIC’s Ability To Gauge Project Effects and Risks, Office of Inspector General, U.S. Agency for International Development, Audit Report 9-OPC-19-002-P (February 1, 2019) *available at* <https://oig.usaid.gov/index.php/node/1892> (hereinafter “Audit Report”)

create risk mitigation tools, and engage in active monitoring and oversight. While the labor standards at OPIC have improved over time, meaningful due diligence at virtually all stages, from project assessment to completion, has been severely lacking. The Corporation must learn from these insufficient OPIC mechanisms and build a systematic, robust approach to project design that mitigates risks of human rights impacts and create an accountable and transparent oversight process to identify and respond to violations when they do occur.

A recent audit of OPIC's investment portfolio in Chile's energy sector conducted by USAID revealed serious, systemic flaws "related to mitigating environmental risks, protecting human and labor rights, and implementing sound business practices."² The agency found that "major design weaknesses in OPIC's process for measuring projected effects—including lack of documentation, weighting, and overall lack of rigor—make ratings unreliable and at risk for inflation."³ Metrics are not designed to capture development impacts in line with the organization's mission, further impeding OPIC's ability to accurately assess a project's impact.

The process for overseeing projects and measuring actual results is marred by inconsistent, ineffective and inadequate processes and procedures. OPIC does not have a coherent system for collecting, let alone assessing, project documentation. Information such as borrower deliverables and third-party monitoring reports is gathered haphazardly, if at all. Nor does OPIC have a coherent approach to collecting information from site visits. USAID estimates that OPIC monitored approximately 5% of its projects between 2012 to 2016, but OPIC could not "provide an accurate list of projects eligible for its monitoring selection"⁴ or even verify whether the list of monitored sites was correct. Further, OPIC had no "clearly defined processes and roles for handling concerns that citizens and other outside groups bring to its attention."⁵

This lack of meaningful assessment and oversight has contributed to serious labor rights violations on OPIC-funded projects, with limited efforts to respond to these violations or ensure access to remedy. The Alto Maipo hydroelectric project was included in the portfolio investigated in the USAID report. There were serious, ongoing labor rights issues that constituted a breach of OPIC's own standards, including two workers deaths, retaliatory firings, intimidation and obstruction of collective bargaining by employers. In addition, the USAID study found that OPIC never actually verified claims by the companies at all six Chilean projects that workers would receive benefits above what was legally required, and only one actually appears to have done so. The projects were rated highly for employee benefits based on this assurance.

The Corporation's mandate to work in "countries with chronic suffering as a result of extreme poverty, fragile institutions, or a history of violence" makes the need to develop better

² Audit Report at 17

³ Audit Report at 13

⁴ Audit Report at 19

⁵ Audit Report at 20

assessment and oversight mechanisms particularly critical. OPIC's record of operating in environments where the rule of law is weak leaves little cause for optimism.

For example, an investment in Grupo Jaremar in Honduras has been marred by serious violations of internationally recognized worker rights and Honduras' own labor laws.⁶ The company engaged in a campaign of intimidation and violence against workers, which included bribing, threatening and firing workers in retaliation for organizing. The company did not pay minimum wage or overtime, or provide workers with statutorily mandated benefits. The workforce was hired through short-term contracts in violation of Honduran law and a series of serious health and safety incidents were reported, including a worker death after handling agrochemicals, an amputation following an electrical accident and a miscarriage. Such violations are, sadly, predictable - obstructing worker organizing, using unlawful precarious work arrangements and failing to adhere to minimum wage and safety requirements are common in Honduras. Even a cursory review should have identified these risks, they are the subject of an open complaint by US and Honduran unions under the Labor Chapter of the Central American Free Trade Agreement (CAFTA) and detailed in the State Department's annual country report. OPIC should have anticipated these types of violations and had systems in place to respond.

Instead, representatives of the Honduran union STAS and U.S. allies had to bring the situation to OPIC's attention in March 2018. In April 2018, OPIC representatives met with the union in Honduras. The union and allies have continued to provide updates to OPIC and are awaiting a response. While Grupo Jaremar finally recognized the union and has modestly improved basic labor rights compliance following a concerted international campaign, it still refuses to engage in collective bargaining. On November 5, 2018, OPIC environmental and human right staff notified STAS's attorney and labor allies based in DC that OPIC considers Citibank, the financial intermediary for the \$20 million dollar loan to Grupo Jaremar, to hold the direct relationship with Grupo Jaremar and thereby the responsibility to receive and review complaints. The same staff advised the assembled labor advocates that human rights and environmental staff do not review the complaints that OPIC receives. This wholly inadequate response highlights the desperate need for clear, effective oversight and monitoring mechanisms.

The Corporation must create transparent, accountable project assessment, monitoring and evaluation processes to maximize development impact

Included below are some initial recommendations to ensure that the Corporation creates robust, accountable project assessment, monitoring and evaluation processes to maximize development impacts.

- a. *Create robust eligibility criteria to assess potential private sector partners*

⁶ OPIC Public Project Profile: Grupo Jaremar *available at* <https://www.opic.gov/sites/default/files/files/jaremare-info-summary-fy14.pdf>

Identifying responsible private sector partners is a critical part of risk mitigation. The Corporation, in consultation with unions and other stakeholders, should develop metrics to identify high-road companies - those with a track record of going beyond minimum standards with respect to issues like wages and working conditions and with policies regarding workforce and supply chain transparency already in place.

Assessments of potential partners should include a deep dive into the history of labor relations at the company, including both outstanding and past workforce claims. Preference should be given to companies with a proven track record of positive industrial relations. Evidence of this would include collective bargaining agreements, protocols and/or memoranda of understanding with unions, the existence of a global framework agreement between a parent multinational and a global union federation, the presence of an international works council, or some combination thereof. Conversely, a history of violations of local labor law or internationally recognized worker rights should disqualify a company from consideration. Candidates should make this information publicly available, to facilitate stakeholder monitoring and verification.

Partner assessment should require disclosure of the corporate structure. Companies should also be required to make disclosures around tax reporting.⁷ Preference should be given to companies that already have transparency policies in this respect.

b. Development impact assessment should include labor relations and tax revenue

Project impact assessment should include an examination of how the project would advance labor relations in the host country by promoting social dialogue between workers and companies, as well as improving wages and working conditions. Project assessment should also include an analysis of how the project would maximize domestic tax revenue mobilization by partner countries.

c. Project development should identify and respond to community needs

The Corporation must develop a transparent, thoughtful approach to stakeholder engagement that starts in the earliest stages of project development and extends throughout the life of the project. Workers and community members must be able to meaningfully contribute to early decision-making to ensure that the project is fit for purpose, and have an understanding of what the intended benefits of the project are going forward.

Workers and community members should have the chance to voice their own priorities and objectives, and to see those incorporated into project design. The local community is generally in the best position to know what kind of projects are feasible and what safeguards will work. This

⁷ *Aligning blended finance to development effectiveness: where we are at* Trade Union Development Cooperation Network (2018) available at <https://www.ituc-csi.org/aligning-blended-finance> (hereinafter "TUDCN Report"); See also: TUDCN, *Criteria on Private Sector investment in development programs: Trade Unions key asks* at https://www.ituc-csi.org/IMG/pdf/criteria_private_sector_engagement_en.pdf

should not be a rubber stamp exercise, it should be a collaborative process to maximize development impact. Relevant trade unions, including those in the appropriate sectors and areas, should be consulted on eligibility, risk assessment and project design. Workers and their trade unions are an invaluable source of information that otherwise may be overlooked.

Both the intended beneficiaries and those who might be at risk of suffering adverse impacts need to know what promises have been made by potential partners and what the intended outcomes of the project are. The impact notification should include any and all claims made by the project partner or the Corporation with respect to development impact, including promises relating to jobs, benefits and services. This information should be widely disseminated through mediums best suited to the community, in all commonly spoken languages, including any migrant worker populations.

We know from years of studying development that it is difficult to get stakeholder engagement right. The Corporation has discretion to convene civil society and private and public sector actors, and should use this mandate to develop a set of transparent, consistent processes for stakeholder engagement.

d. Accurately analyze country conditions

The Corporation should not engage with countries that are not in substantial compliance with internationally recognized worker rights. The requirements of Performance Standard 2, the ILO core conventions and good international industry practice should be the floor of client behavior, including where national law is silent or below international standards. Potential clients should be thoroughly assessed for their ability to comply with these requirements through internal procedures, and monitored according to the level of risk for the company, country and sector. Due diligence is inadequate if the existence of national laws is merely acknowledged by a potential client and given as proof that they are capable of compliance with lending safeguards. It is also necessary for due diligence to identify gaps in national legal frameworks and country-specific risks with regards to violations of labor rights.

e. Engage in robust monitoring and oversight

The Corporation needs to both engage in more active, in-house monitoring through the use of site visits and an organized approach to collecting follow-up documentation; and empower local communities to monitor and report on compliance. Workers are best placed to identify labor rights abuses. It is both more economical and more effective to ensure that workers know their rights and that information from the ground can transfer up.

Compliance officers must have the ability to initiate their own investigations, make on-site visits, and conduct confidential interviews with workers and their representatives, as well as with local labor ministry officials and ILO representatives. Current OPIC practice includes giving advance notice of site visits, which is not in line with best practices regarding labor inspections.

All project stakeholders, particularly workers, need to be equipped to hold both partners and the Corporation accountable. Workers are best-placed to monitor working conditions and identify abuses, when they are empowered to do so. The Corporation needs to ensure workers know their rights under the Corporation's standards at the time of hiring, including Performance Standard 2 and especially the client company's commitments on freedom of association and health and safety. Frontline management should also be trained on the content of standards. This is a proactive approach that involves workers in operationalizing standards, ensures that they understand their rights and avoids breakdowns in expectations within the client company. The current approach often means that only the upper management of the borrowing company discuss expected standards with the lender, and symbolic steps are taken to satisfy lender standards such as amended human resources handbooks. The Corporation should engage with any unions present at projects to ensure active monitoring of the standards. Where there is not a union present, the Corporation should work with companies and workers to create a health and safety committee, with a mandate that includes workplace violence and harassment, with elected worker representatives who have been trained on labor standards.

f. Create an accessible, effective and independent Complaints Mechanism

We are pleased to see the inclusion of an Independent Accountability Mechanism under Section 1415 of the BUILD Act, which should both evaluate compliance and provide a forum for resolving concerns regarding the impact of projects. This must include an accessible complaint mechanism, with clear procedures for receiving and evaluating claims in a swift and transparent manner, and the mandate to provide remedies in the case of violations, which must include suspension or termination of financial support.⁸

g. Engage in meaningful public reporting to ensure transparency and accountability

Workers and communities must be actively consulted throughout the life of a project, including active participation in monitoring and oversight to ensure claimed benefits materialize and reach the intended recipients. The Corporation needs to develop metrics for information disclosure, informed by community consultations, to ensure this can happen.

Information on individual projects should include supply chain transparency, including a list of all subsidiaries, suppliers and contractors. The workforce involved in the project should be mapped out, including disaggregated breakdowns of gender and minority hiring. Disclosures should include both initial projections regarding job creation and any representations made regarding access to benefits or services, as well as current reporting on actual job creation, wages and working conditions. It should also include disclosures of all workplace injuries and fatalities, and any workforce complaints filed with national authorities or the Corporation's complaint mechanism.

⁸ TUDCN Report at 54

The annual report to Congress should be used as an opportunity to collect aggregate data on development impacts across projects, to inform plans for how to improve outcomes. This should include aggregate data on injuries and fatalities across projects. The European Bank for Reconstruction and Development discloses this information in its annual sustainability report, fostering accountability and action by the institution to address recurring safety problems.⁹ Disclosures should also include aggregate data on job creation, how many of those jobs pay above legally mandated minimum wage and benefits, and by how much. It should include information on how many hires are for short-term positions, and if projects are generating any long-term, secure jobs. There should be a breakdown of who is working, in both the direct borrower and in the supply chain, including disaggregation by gender, with data on pay disparity and relative positions in management. This would help satisfy the requirement in Section 1451(f) to consider the Corporation's impact on women's economic empowerment.

h. Embed expertise in labor rights throughout the Corporation

The Corporation must embed expertise in worker rights and industrial relations throughout all levels of the organization to ensure it meets its goal of supporting sustainable, broad-based economic growth. Congress clearly recognized the importance of this knowledge when it outlined relevant experience for non-governmental board members. In addition to senior leadership, oversight committees and staff charged with project assessment and implementation must include individuals with a background in evaluating risk and compliance with labor standards from a worker perspective.

In Section 1413(b)(2)(C), Congress indicated that relevant experience for the Corporation's non-governmental board members includes a background in labor. To effectuate this intent, and to ensure that the Corporation can effectively implement the statutory requirements related to internationally recognized worker rights and labor monitoring, at least one board member must have a specific background in labor rights.

Likewise, the Development Advisory Council established under 1413(i) should include at least one member with specific expertise in labor rights and industrial relations, to ensure that the Corporation is able to competently assess development impacts with respect to worker rights.

The Risk Committee created in Section 1441, tasked with assessing social risks, needs to include individuals with the proper background to assess and identify pertinent labor rights risks and develop mechanisms to prevent adverse impacts. This is particularly critical because OPIC appears to have indicated that the Risk Committee will be tasked with reviewing current policies and procedures with an eye to identifying relevant lessons and improving practices.¹⁰ Given the

⁹ See, e.g., European Bank for Reconstruction and Development Sustainability Report (2017) available at <https://www.ebrd.com/sustainability-report-2017>

¹⁰ Audit Report at 43

serious labor rights abuses that have occurred on OPIC programs in the past, it is critical that labor rights experts are included in the assessment and reorientation of processes to ensure that mistakes of the past are not repeated.

Lastly, the Corporation needs to ensure expertise in project monitoring and oversight. As discussed above, staff should have expertise on labor, including specifically in occupational health and safety. The European Bank for Reconstruction and Development has dedicated staff for this purpose which has improved monitoring and oversight on its project, and we encourage the Corporation to do the same.

- i. Adequately resource and create incentives for agency staff to embed human rights throughout the process*

The Corporation needs to ensure adequate resources are directed to monitoring and oversight. The USAID study found currently “a total of 11 employees—2 managers and 9 staff” are “responsible for clearing prospective projects and monitoring environmental and social risks for all OPIC projects worldwide.”¹¹ This is grossly insufficient to ensure proper monitoring and oversight. Staff incentives should also be linked with the development, social and labour outcomes of projects.

Conclusion

We welcome the creation of the United States International Development Finance Corporation and look forward to working together to create robust selection criteria and oversight and monitoring mechanisms to ensure future projects enhance labor rights and create positive development impacts for workers and communities.

¹¹ Audit Report at 19

Attachment B

PRESIDENT'S REPORT

(as prepared for delivery)
David Bohigian
Acting President & Chief Executive Officer
March 20, 2019

Welcome to the March meeting of the OPIC Board of Directors.

I am deeply honored to have the opportunity to lead an organization that has been creating a world of opportunity for almost half a century. OPIC is now in the midst of a historic transformation that will enable us to have an even greater impact going forward.

In a moment, we will hear a tribute to my predecessor Ray Washburne. Ray took this agency from an uncertain future to one of great promise. He worked tirelessly to showcase the critical role OPIC plays in advancing American foreign policy and promoting investment as a stabilizing force around the world. By raising the agency's profile, strengthening alliances, and shepherding the passage of the BUILD Act into law, Ray laid the groundwork for the creation of a new modern agency that will have more resources and tools to invest in development.

As we move forward, I hope to get to know all of you better. I come from a family of Armenian refugees who believed in the promise of America. I have worked across countless industries in more than 60 countries, building and reorganizing companies and making investments and serving as an assistant Secretary of Commerce to promote pro-growth economic policy and American business.

I joined OPIC in 2017 with a deep appreciation of the power of investment to change lives. I see our mission as a modern day Marshall Plan, developing stable societies that advance global peace and prosperity.

Today, the world faces a host of new challenges, from transitioning to a digital economy to countering authoritarian, state-driven investment. OPIC is addressing those challenges by investing in projects to build a free and open Indo-Pacific, increase connectivity with Africa, creating opportunity throughout the Western Hemisphere, and empowering millions of women around the world.

It was one year ago this month – Women's History Month – that OPIC launched our 2X Women's initiative with a bold commitment to mobilize \$1 billion for women in emerging markets. Today, I'm happy to share that we've already surpassed that ambitious target. Together with our private sector partners, we've catalyzed more than \$1.4 billion in total capital to empower the world's women. That's a tremendous achievement.

The projects before you today will build critical infrastructure and expand access to energy, financial services and housing around the world.

At the same time we are building our portfolio of development projects, we are all hard at work to launch the new United States Development Finance Corporation seven months from now.

We’ve listened and learned from stakeholders in business, government, development, foreign policy and impact investing. We’ve studied best practices. Members of OPIC leadership just returned from Europe, where we visited six countries in four days to meet with our counterpart development finance institutions and exchange notes on the best ways we can continue to have an impact in the world.

Thanks to the hard work of the interagency, we just submitted a report to Congress outlining the transition to the new DFC.

I’m humbled to be assuming this great responsibility. But I am also energized by the opportunity that lies ahead, and confident that OPIC’s hardworking and talented team, and our innovative partners will continue to build great projects that will empower people, strengthen communities and create stable societies around the world.