

Strengthening OPIC's Environmental and Social Policy Statement

Our Impact

Working over the last three years, alongside Liberian communities and in partnership with Liberian civil society organization Green Advocates, Accountability Counsel motivated significant changes to the Overseas Private Investment Corporation's (OPIC) main human rights and environmental safeguard policy, the Environmental and Social Policy Statement (ESPS).

As a result of this collaborative, community-driven effort, OPIC increased its focus on human rights impacts in its 2017 ESPS. For example, it expanded its Special Consideration risk category to include projects that have heightened potential for adverse project-related social risks, including human rights risks. Special Consideration projects trigger additional processes, including an OPIC review of the client's Social Risk Due Diligence procedures.

Additionally, OPIC included language expressly prohibiting discrimination and prejudice in its projects, as well as language that expressly focuses a project's environmental and social review to the project's entire area of influence. These measures will help ensure that OPIC-supported projects properly identify and assess human rights risks for the protection of the communities affected by these projects.

Background

In January 2014, Accountability Counsel supported hundreds of Liberian farmers, charcoalers, and workers in a complaint to OPIC's Office of Accountability (OA) about the human rights, labor, and environmental harms caused by OPIC's failed investment in Buchanan Renewables. In September 2014, the OA released its report, finding many of the allegations of harm credible and making a number of recommendations in order to avoid such harm recurring in the future. The OA report stressed that revising the Environmental and Social Policy Statement (ESPS) would address several of the recommendations. OPIC initiated the ESPS review in December 2015.

Accountability Counsel was actively involved in the ESPS review process, through taking the lead on two joint submissions of recommendations, releasing a joint statement with civil society partners, and participating in stakeholder consultations. Notably, recommendations from our November 2016 joint submission comprised 91 of the 121 total recommendations that OPIC received on the 2016 draft ESPS. OPIC released its final ESPS on January 18, 2017.

Continued Areas of Engagement

Ensuring that OPIC-supported Projects Achieve Their Development Goals

As a development finance institution, OPIC has a specific mandate to contribute to the economic and social development of less developed countries and areas. Unfortunately, OPIC did not implement our recommendations to include provisions in the ESPS that explicitly address the evaluation and monitoring of development impacts. We will continue to press OPIC to ensure that its procedures and requirements, and the implementation thereof, guarantee that projects fulfill their promised development objectives and benefit the communities they intend to aid.

Improving Monitoring Procedures

While OPIC has made some strides in its ESPS toward improved monitoring, the ESPS still fails to ensure that OPIC adequately monitors its projects for environmental and social risks and harms. Our recommendations included frequent, independent site visits and stronger provisions for community monitoring. Our advocacy for improved monitoring will continue so that projects are appropriately monitored and adverse impacts, like the ones that occurred in Liberia, are prevented and addressed before they are exacerbated.

Facilitating Access to Remedy for Harmed Communities

Even the best environmental and social policies and frameworks can't prevent harms from happening in every circumstance. Accordingly, OPIC must have a strong accountability framework to ensure that individuals and communities harmed by OPIC-supported projects can access effective remedy. OPIC did not incorporate most of our recommendations concerning accountability, including recommendations for strengthening the OA. One key recommendation not addressed by the ESPS is a requirement for OPIC clients to contribute to a third-party contingency fund for the provision of remedy in the case of negative project impacts. We will continue to advocate for the strengthening of accountability at OPIC, including for the communities in Liberia, which are still waiting for meaningful remedy for the harms they suffered.