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U.S. Agency Plan Promises Improvements but Lacks Critical Details on Reform Plan Submitted to Congress, Communities Still Waiting for Change

(SAN FRANCISCO, MONROVIA, AMSTERDAM Mar. 24, 2015)—Last week, the U.S. Overseas Private Investment Corporation (OPIC) published a plan[1] to address widespread failures at the agency that contributed to a botched energy project in Liberia, which resulted in serious human rights, labor, and environmental abuses. The brief plan outlines a number of important institutional and operational reforms, which could help protect vulnerable communities in the future from the harm that Liberian communities suffered. However, communities are still waiting for OPIC to reveal critical details about how these reforms will translate into meaningful change on the ground.

In provisions attached to the FY2015 Omnibus Appropriations Act[2], Congress gave OPIC 90 days to submit a plan to implement recommendations from an independent investigation report[3] about the agency's role in the project in Liberia. The report identified a range of institutional failures and accountability gaps at OPIC and came after hundreds of Liberians filed a complaint[4] in January 2014 demanding accountability and redress for the abuses associated with the project. In compliance with its 90-day deadline, OPIC presented Congress with a brief summary of actions aimed at closing the agency's accountability gaps and overcoming its institutional failures.

"We are hopeful that this plan represents forward-looking, positive change at OPIC," said Kindra Mohr of Accountability Counsel, a legal organization working with the Liberians. "Although we are disappointed that OPIC's plan does not address the harmful situation in Liberia, we will continue to look for ways to engage with OPIC in its efforts to protect vulnerable communities in the future."

The plan provides a cursory overview of various reforms, ranging from dedicating adequate resources for high-risk projects to requiring more robust project-level grievance mechanisms. However, OPIC did not seek input from project-affected communities or the public when developing the plan, which omits details on the substance and impact of these reforms.

"Although OPIC deserves credit for creating this plan, the agency failed to consult with Liberians, civil society groups, or the general public about how it could best implement reforms that directly affect vulnerable communities. We are hopeful that the plan will translate into increased accountability, but OPIC's approach thus far has been non-transparent and non-responsive to the Liberians harmed by the project," said Alfred Brownell of Green Advocates International, a Liberian organization representing the victims. "Without input from those who lost their livelihoods and experienced abuses because of OPIC's failures, Liberians are unsure that the agency can truly reform itself so that other communities do not suffer the same fate," added his colleague Francis Colee.

"It is unclear whether the changes that the plan describes will lead to actual, perceivable improvements for the stakeholders of OPIC's projects, in Liberia or elsewhere. We hope to be included in refining the details of OPIC's implementation of these reforms, not only to advocate for repairing the damage that this project caused, but also to ensure that OPIC has positive and sustainable development impacts," stated Tim Steinweg, a senior researcher investigating the project for the Dutch organization, SOMO.

Notes for editors

- 1. OPIC's plan is available at <u>http://www.opic.gov/sites/default/files/files/report-to-congress-03172015.pdf</u>.
- 2. These provisions are contained in an explanatory statement that is attached to the Act. The statement is included in the Congressional Record for December 11, 2014, and is available at https://www.congress.gov/crec/2014/12/11/CREC-2014-12-11-bk2.pdf. The Consolidated and Further Continuing Appropriations Act, 2015 is available at http://www.gpo.gov/fdsys/pkg/BILLS-113hr83enr/pdf.
- The report, authored by OPIC's independent Office of Accountability, is available at <u>http://www.opic.gov/sites/default/files/files/OA%20Buchanan%20Report(1).pdf</u> and OPIC's short response is available at <u>http://www.opic.gov/sites/default/files/files/Management%20Response%20to%20Buchanan%20</u> <u>Renewables%20Fuel%20and%20Energy%20Projects%20in%20Liberia(2).pdf</u>.
- 4. The complaint to OPIC's President and CEO, a detailed report documenting these abuses, and a video are available at <u>http://www.accountabilitycounsel.org/communities/current-cases/liberia-biomass-project-of-buchanan-renewables/</u>. Two additional reports about the impacts of the project are available at <u>http://www.somo.nl/publications-en/Publication_3715?set_language=en</u> and <u>http://www.somo.nl/publications-en/Publication_3942</u>.

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