


BDR(04)33

**BY THE BOARD OF DIRECTORS  
OF  
THE OVERSEAS PRIVATE INVESTMENT CORPORATION**

**BE IT RESOLVED**, that the General Policy and Guidelines as submitted to the Board of Directors on July 29, 2004 entitled: "*Accountability and Advisory Mechanism for the Overseas Private Investment Corporation*," a copy of which is attached hereto, be and hereby is adopted as a general policy of the Corporation.



**Approved by Notational Vote of  
the Board of Directors on September 20, 2004**

  
**Connie M. Downs**  
**Corporate Secretary**

# Accountability and Advisory Mechanism for the Overseas Private Investment Corporation

## Preamble

The Overseas Private Investment Corporation (OPIC) is establishing an Accountability and Advisory Mechanism (AAM) in response to guidance from Congress (see Appendix A) and consultations with stakeholders.

During the first half of 2004, OPIC prepared and circulated a concept paper for comment from a broad range of interested parties. Comments were offered by and consultations were held with: Members of Congress, staff of OPIC's Congressional authorizing committees, OPIC's Board of Directors and their public sector liaisons, the Office of Management and Budget, a diverse group of non-governmental environmental, labor and human rights organizations, industry associations and individual corporate users of OPIC services. (For written comments on the Concept Paper see Appendix B).

As directed by Congress, OPIC, with the assistance of a consultant, reviewed the best practices of all of the multilateral and bilateral financial institutions ("international financial institutions" or "IFIs") cited by Congress as having accountability mechanisms with objectives similar to those proposed for OPIC. Informational meetings were also held with representatives of selected IFIs with experience in developing and operating accountability mechanisms.

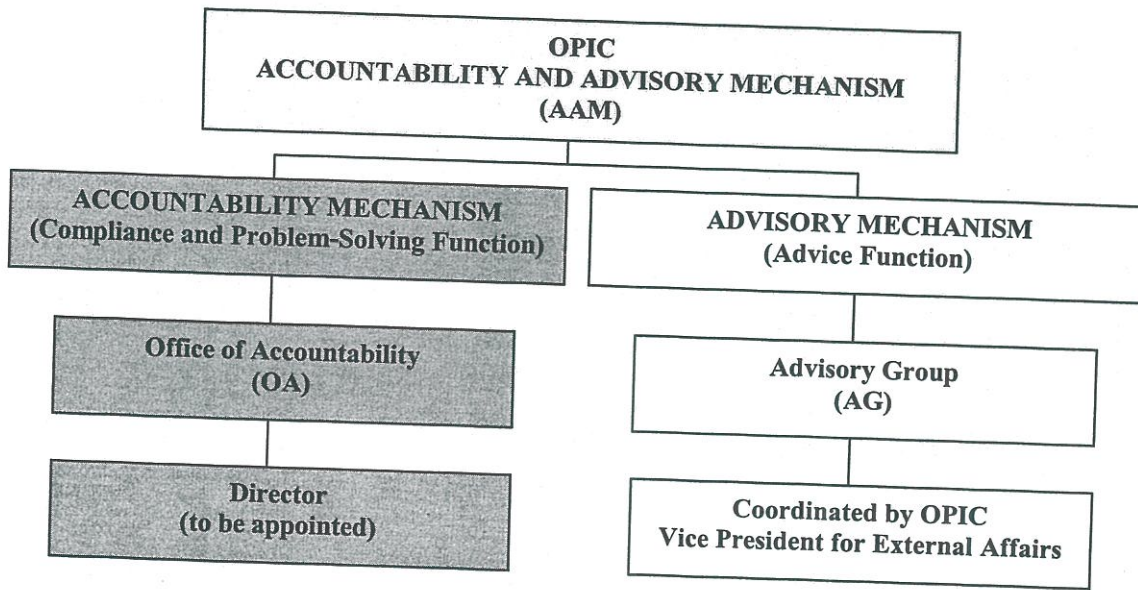
The following proposal is intended to represent the process and procedures approved by the OPIC Board of Directors as guided by Congressional Report language and practical application resulting from stakeholder consultations.

## Implementation Paper

1. **Introduction.** The Overseas Private Investment Corporation (OPIC) is establishing an Accountability and Advisory Mechanism (AAM). This mechanism is designed to accomplish the following three objectives:
  - Evaluate and report on OPIC compliance with environmental, social, labor, and human rights standards;
  - Provide a forum for addressing the concerns of locally affected communities regarding specific OPIC projects; and
  - Provide advice regarding OPIC policies and procedures.
2. **Principles.** OPIC has identified the following principles to guide the establishment and implementation of the AAM:
  - The mechanism should enhance OPIC's mission effectiveness;
  - The mechanism should be transparent and fair to all stakeholders;

- The mechanism should be accessible and responsive to the concerns of locally impacted communities; and
- The mechanism should be cost-effective and consistent with OPIC’s mission, statutory framework, and culture.

3. **Structure.** To accomplish the three main objectives for the AAM, OPIC will:
- create a new Office of Accountability to carry out the compliance and problem-solving functions; and
  - create an Advisory Group to carry out the advisory function which will be coordinated by OPIC’s existing Office of External Affairs.



4. **Office of Accountability (OA).**

- Functions.** The Office of Accountability will perform the following functions:
  1. **Compliance Review:** to provide a forum to investigate and report on complaints regarding OPIC’s compliance with its governing statutes, rules, policies, and procedures in the context of specific projects; and
  2. **Problem-solving:** review and try to resolve outstanding complaints of local communities relating to the impacts of OPIC-supported projects on such communities, with or without allegations of non-compliance on the part of OPIC.
- Access to the OA.** Taking into consideration prevailing practices at other IFIs and OPIC’s own structure within the U.S. Government, the OA will be accessible to the below-designated categories of affected stakeholders. These stakeholders will be considered to have requisite “standing” to request a response and report from the OA with respect to: