



February 26, 2018

VIA Electronic Mail

Stephanie Amoako, Esq.
Policy Associate
Accountability Counsel
1875 Connecticut Ave NW, 12th Floor
Washington, DC 20009

RE: Response to Comments to OPIC Notice on Form OPIC-115
82 *Federal Register* 58456 (December 12, 2017)

Dear Ms. Amoako:

This letter presents the Overseas Private Investment Corporation's ("OPIC") response to comments of the Accountability Counsel and other organizations (the "Commenters") pertaining to the OPIC *Federal Register* notice, titled "Submission for OMB Review; Comments Request for OPIC Application for Project Finance (Form OPIC-115)" published on December 12, 2017.

OPIC-115 is the principal document used by OPIC to determine an investor's and project's eligibility for project financing. As such, it is meant to elicit sufficient preliminary information for OPIC to determine if the proposed transaction has any significant weaknesses that might preclude successful completion of the origination process. The Commenters have recommended changes 1) to the Supporting Documentation section of the Form 115 to improve OPIC's collection of information necessary to perform a preliminary analysis and 2) to OPIC's screening and monitoring procedures to improve the potential that projected developmental impacts will be achieved.

Question Six: Project Description

Commenters' Recommendation: Commenters recommend augmentation of OPIC screening procedures to assess the risk that the project will not achieve projected developmental impacts and enhancement of OPIC monitoring coverage to ensure that all projects, and particularly high-risk projects, actually fulfill their projected developmental impacts. There is no specific change to the OPIC-115 recommended regarding this point.

OPIC Response: OPIC considers that the achievement of both financial/operational completion and developmental impact are important components of a project's success and that neither is likely to occur without the other. OPIC's processes are designed to ensure to the greatest extent possible that OPIC-supported projects achieve their financial and developmental goals. For an in-depth look at the substance of OPIC's commitment to ensuring that the projects it supports are environmentally and socially sustainable, please go to <https://www.opic.gov/who-we-are/opic-policies/environment-and-social-review> and read OPIC's recently-updated Environmental and Social Policy Statement.

Overseas Private Investment Corporation
1100 New York Avenue, NW
Washington, D.C. 20527
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Supporting Documentation/Complete Business Plan/Preliminary Information Memorandum

Project Description/Status:

Commenters' Recommendation: Commenters recommend the following change (indicated in bold italics) to this item so that OPIC may obtain information on the project's consultations with project-affected communities:

Project Description/Status (Describe the purpose for which the OPIC loan is to be used and the Project development activities completed to date -- the Project Company's date of incorporation, investment made to date, market or feasibility studies performed, ***past and on-going consultations with project-affected communities (including disadvantaged and vulnerable groups)***, status of documentation/permits/government consents/land acquisition, etc.).

OPIC Response: OPIC agrees with this recommendation and will incorporate it as recommended.

Legal, Economic, Political Environment, and Government Participation

Commenters' Recommendation: Commenters recommend adding two new items (indicated in bold italics) under this section so that OPIC may obtain information on debarment listings and other complaint reporting and resolution processes.

Legal, Economic, Political Environment and Government Participation

- Licenses/Permits (list all licenses, permits, consents, approvals, environmental requirements etc. required by the Project Country government and the status of such documentation)
- Legal Regime (list Project country laws, regulations or pending reforms that will impact the Project or the sector)
- Economic/Political Climate (describe the economic and political climate of the Project Country and the specific region in which the Project is located)
- Government/Multilateral Participation (describe any government or multilateral involvement in the Project or the sector and any government incentives such as tax holidays)
- Current or Pending Litigation (describe all current or pending litigation involving the Project, the Project Company, or shareholders)
- ***International Financial Institution Debarment Lists (State whether the Project Company is currently listed on any publicly available debarment lists at an International Financial Institution, including the World Bank Group, African Development Bank, Asian Development Bank, European Bank for Reconstruction and Development, and the Inter-American Development Bank.)***
- ***Prior, Current, or Pending Independent Accountability Mechanism and OECD National Contact Point Complaints (Describe all prior, current or pending International Financial Institution Independent Accountability Mechanism and OECD National Contact Point complaints involving or associated with the Project or the Project Company, or shareholders, and include the nature and status of the complaint or complaints.)***

OPIC Response: OPIC agrees with the overall recommendation. However, we feel that the extensive legal language provided above may be intimidating to potential OPIC applicants, many of which are small businesses. Therefore, OPIC will revise this item as follows (revision in bold italics):

Legal, Economic, Political Environment and Government Participation

- Licenses/Permits (list all licenses, permits, consents, approvals, environmental requirements etc. required by the Project Country government and the status of such documentation)
- Legal Regime (list Project country laws, regulations or pending reforms that will impact the Project or the sector)
- Economic/Political Climate (describe the economic and political climate of the Project Country and the specific region in which the Project is located)
- Government/Multilateral Participation (describe any government or multilateral involvement in the Project or the sector and any government incentives such as tax holidays)
- Litigation *or Dispute Resolution* (describe *any* litigation or *community dispute or complaint resolution processes that have occurred or are occurring* involving the Project, the Project Company, or shareholders)

Risks

Commenters' Recommendation: Commenters recommend the following changes (indicated in bold italics) to this item so that OPIC may obtain information on the environmental, social and human rights risks and proposed mitigation plans associated with the project:

Risks (describe Project risks such as credit risks, sector/market risks and competition, operational and management risks, political/economic risks, legal/regulatory risks, and *environmental, social and human rights risks* and what steps the Project Company will take to mitigate such risks *and provide access to accountability and remedy for negative project impacts on individuals and communities.*)

OPIC Response: OPIC agrees with this recommendation and will incorporate it as recommended.

OPIC appreciates the Commenters' recommendations to improve the OPIC-115.

Sincerely,



Deborah Howard
Managing Director, Finance Program Systems and Procedures
Overseas Private Investment Corporation

CC: The Honorable Ray Washburne, President and CEO, OPIC
Mr. Ryan Brennan, Vice President, Office of Investment Policy, OPIC