

**OVERSEAS PRIVATE INVESTMENT CORPORATION  
MINUTES OF THE OPEN SESSION OF THE DECEMBER 8, 2016  
BOARD OF DIRECTORS MEETING**

**Directors:**

Elizabeth L. Littlefield, President & CEO, Overseas Private Investment Corporation, Chair  
Gayle Smith, Administrator, U. S. Agency for International Development  
Ambassador Robert W. Holleyman, II, Deputy U.S. Trade Representative  
Bruce Andrews, Deputy Secretary, U.S. Department of Commerce  
Christopher Lew, Deputy Secretary, U.S. Department of Labor  
Nathan Sheets, Under Secretary, U.S. Department of the Treasury  
Catherine Novelli, Under Secretary, U.S. Department of State  
James M. Demers, President, Demers & Blaisdell, Inc.  
Todd Fisher, Global Chief Administrative Officer, KKR  
Roberto R. Herencia, President & CEO, BXM Holdings, Inc.  
Maxwell T. Kennedy, Director, Kennedy Enterprises  
Terry Lewis, Principal, LIA Advisors, LLC  
Deven Parekh, Managing Director, Insight Venture Partners  
Michael Warren, Principal and Managing Director, Albright Stonebridge Group

**Other Attendees:**

Paola Bobadilla, U.S. Agency for International Development  
Samuel DuPont, Office of the United States Trade Representative  
Michael C. Fuchs, U.S. Department of Commerce  
Karen Travis, U.S. Department of Labor  
Alyson McGee, U.S. Department of the Treasury  
Dorothy Mayhew, U.S. Department of State  
Nelson Reyneri, Board Nominee (*via telephone*)

**OPIC Attendees:**

**Office of the President**

Cameron S. Alford, Chief of Staff

**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**

Merryl Burpoe, Acting 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

Ruth Ann Nicastrì, Managing Director

Marlena Hurley, Insurance Project Specialist

Werner Salle, State Department Detailee

**Small and Medium Enterprise Department**

James C. Polan, Vice President

**Investment Funds Department**

Brooks Preston, Vice President

William Pearce, Managing Director

Lynn Nguyen, Managing Director

Jane Brett, Director

Mathew Thomas, Director

Iftikhar Hyder, Director

**Office of External Affairs**

Judith D. Pryor, Vice President

**Legal Affairs Department**

Kimberly Heimert, Vice President and General Counsel and Counsel to the Board

Dan Horrigan, Assistant General Counsel

Suzanne Perry, Assistant General Counsel

Nicole Soulanille, Assistant General Counsel

Catherine F. I. Andrade, Corporate Secretary

**Department of Management and Administration**

Michele Perez, Vice President, Department of Management and Administration

**Department of Human Resources Management**

Rita Moss, Vice President for Human Resources

## MEETING CALLED TO ORDER

Ms. Littlefield called the meeting of the OPIC Board of Directors (“Board”) to order at 2:12 PM. Ms. Littlefield acknowledged the participation by telephone of OPIC Board nominee Nelson Reyneri.

### A. PRESIDENT’S REPORT

Before presenting her President’s Report, Ms. Littlefield called on Ms. Andrade to report on the outcome of OPIC’s Public Hearing in conjunction with the December 8, 2016, Board meeting. Ms. Andrade reported that OPIC published notice of its Public Hearing in conjunction with today’s meeting in *The Federal Register*. No requests were received to speak or to submit copy for the record, so the hearing was not held.

Ms. Littlefield presented her President’s Report, a copy of which is incorporated by reference into these minutes as Attachment A.

Mr. Kennedy offered a gift on behalf of the Board to Ms. Littlefield to thank her for her leadership as Board Chair.

Mr. Demers provided his thanks to the Public Sector Directors for their considered involvement on the Board. He also thanked OPIC staff for their efforts.

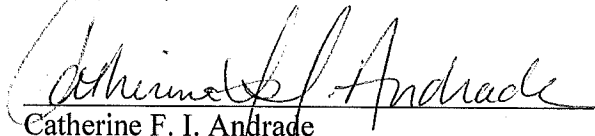
Ms. Littlefield thanked the OPIC staff and management for their ongoing work.

### B. APPROVAL OF THE MINUTES

Ms. Littlefield turned to the approval of the minutes of the Open Session of the September 15, 2016, Board meeting. Ms. Lewis moved and Mr. Herencia seconded the motion to approve the minutes and by unanimous voice vote the minutes were approved.

Ms. Littlefield closed the meeting to the public at 2:43 PM.

Respectfully submitted,

  
Catherine F. I. Andrade  
Corporate Secretary

PRESIDENT'S REPORT

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Elizabeth L. Littlefield  
December 8, 2016

Good afternoon. Welcome to our first Board meeting of the fiscal year, the last of the calendar year and the last of the Obama Administration.

We are very excited about the investment funds and especially the two insurance projects that will be proposed today. They have promise to be geopolitical game-changers.

“Promise.” I have found myself reflecting a lot on questions of promise and potential, especially OPIC’s potential, as we near the end of this Administration.

When many of us began in development decades ago, and certainly when OPIC was created, governments in the developing world owned and managed pretty much all of the telecommunications companies, banks, power companies and in some cases even the farms and hotels. US companies abroad were primarily in the extractives business. The idea that the private sector might play a role in alleviating poverty or helping the environment was frankly pretty marginal, even far-fetched.

Fast forward to this era, the past 10-15 years. Thanks to new business models and technologies, commercial investors now eye sectors that were once predominantly and, in some cases exclusively, the domain of public sector budgets.

Companies—not governments—now manage ports and roads. Companies—not governments—are the backbone of banking and finance in nation after nation. Rather than governments risking political capital based on their 5- or 10- or 20-year plans, we have companies risking *investment* capital with their horizons defined by financial models.

Innovative American companies, many of whom are our clients, are having more development impact on peoples’ daily lives than anyone would have predicted. Clearly this is evident in the banking and power sectors, but it is also evident in less obvious sectors such as:

- Water infrastructure—our DISI water project in Jordan is bringing a full 25 percent of the water serving Jordan’s capital and the Syrian refugee camps north of it; or,
- Health care—with OPIC support, private investors have built world class hospitals in very poor places such as Angola and Pakistan; or,
- Even in education projects—OPIC currently supports are educating over 120,000 students in primary and secondary schools, and over 25,000 students in higher education.

The list goes on and on.

The development debate has catapulted from the *possibility* of the private sector’s role, to the *extent* of its role to, in just in the past few years, the *absolute necessity* of its role to address our common challenges from climate change to resource scarcity to poverty and joblessness.

This year’s results, once again, demonstrate that OPIC is at the very forefront of this movement.

2016 was yet another banner year for OPIC. We hit our targets for low-income countries, for speeding up disbursements and for commitments. We committed \$3.7 billion in financing and insurance, bumping our total portfolio to a record-setting \$21.5 billion across 100 developing countries. And, the Agency marked the 39th year of achieving its mission at no net cost to taxpayers.

In terms of development impact this fiscal year, we are particularly proud of the following:

- Nearly 40 percent of OPIC's commitments (\$1.5 billion) will finance private sector projects in the lowest income countries. It is far harder to put projects together in these markets than elsewhere, so the teams that push into the Guineas, El Salvadors or Cambodias of the world deserve our sincere thanks for their efforts to take on these challenges.
- OPIC committed \$1.4 billion to critical infrastructure and energy transactions around the world. We hit an extraordinary \$1 billion milestone for projects in *both* financial inclusion and information and communications technology (ICT) and connectivity. These volumes are especially powerful when one considers that each transaction can be very small, especially in microfinance.

As we come to the close of the Obama Administration, the cumulative accomplishments of OPIC's extraordinarily committed, world-class staff during the past two terms tell a very powerful, impressive story. OPIC's team has:

- Nearly doubled our portfolio to \$21.5 billion;
- Strengthened our agency through investing deeply in best-in-class institutional infrastructure from top to bottom—new enterprise risk management systems, policy and process streamlining, automating and modernization, new management and client information systems, and improved reporting and governance;
- Established OPIC as a true leader in renewable energy, committing an extraordinary \$1 billion every year (on average) in renewable energy, ranging from experimental village-scale solar projects in Nigeria to the largest wind farms in Indonesia, Senegal and Kenya;
- We zeroed in on our core mission of trying hardest in low-income and conflict-affected countries. Our portfolio in Africa has risen sharply to nearly a third of OPIC's global portfolio and one third of OPIC's portfolio is in countries conflict-affected countries. In fact over the eight years of the Obama Administration OPIC projects have supported almost 90,000 jobs in developing countries, and we all know that having a solid job is a powerful antidote to despair and hopelessness;
- Increased staff by nearly 50 percent from 195 to 282, (not including the 130, mainly new, contractors). I note that we now have over 40 percent of our staff under the age of 40 as well, which is a major shift and injection of dynamism;
- And, of course, as we remind people day in and day out, OPIC has continued to make money: under the Obama Administration alone, OPIC generated \$2.5 billion in deficit reduction.

This is a story that everyone in this room and every one of our partners should be very, very proud of because you make it happen.

And, our message has been heard. Countless organizations from every point along the political spectrum have responded and joined the chorus of support for OPIC. We have counted over 25 reports and articles

from respected think tanks and academics calling for OPIC to be unleashed, given more authorities, resources and flexibilities. And their message has gained traction on the Hill and in international circles as well.

Looking back, throughout President Obama's term in office, OPIC has been one of his most responsive and tangible partners in responding to foreign policy needs and geopolitical events. In Haiti after the earthquake, in Pakistan as we sought to strengthen ties to that country, OPIC responded. In response to the Arab Spring, the President and Secretary Clinton committed the Agency to provide \$1 billion for job-creating foreign investment in Egypt and another \$2 billion for the broader Middle East. Once again, OPIC delivered on that commitment. In Burma, as the US sought to encourage that country's tender steps towards democracy, OPIC supported the largest private infrastructure investment ever made there. And it was the ultimate project for the people. It helped cellphone access rise from close to zero to 75 percent in one fell swoop.

We have been there for all of the President's key development initiatives. For his pivot to Asia, we doubled our portfolio in the region, added a regional office and invested in the largest wind project in Indonesia.

OPIC is the leading financier of Power Africa, so ably coordinated by USAID. We have leveraged more than \$3 billion in total investments to support 20 total power projects.

For his Feed the Future, we've ramped up our efforts to support agriculture, building a portfolio that currently supports nearly 1 million smallholder farmers.

And all of this work has been carried out in far closer collaboration than ever before with our sister agencies such as Treasury, USTR, Labor and Commerce. We have collaborated far more closely than ever before with our principal development agencies (as the State Department calls us, our '3 sisters') MCC and especially with USAID.

In the past few years, we have put together over a dozen projects with USAID. As I have repeatedly said, without working with USAID, OPIC simply would not have been able to deliver on our most impactful work in the most challenging markets, from Haiti to Afghanistan to the West Bank, Tunisia, and Egypt.

We have forged a very deep, multi-faceted connection with the State Department, without whom we could not have launched the Africa Clean Energy Facility (ACEF) or funded the creation of our network of regional offices. Thank you to all of our board members here who represent the family of US agencies with whom OPIC has built such terrific collaborative, generous and mutually reinforcing partnerships.

I want to close this report by sharing a few thoughts. Development finance is essentially the business of using small amounts of public money in a sustainable way to catalyze large amounts of private sector investment. That term was barely in the lexicon of the U.S. foreign assistance a few years ago. By the end of this decade—give or take a year, regardless of how rapidly OPIC grows—development finance will be the single largest component of annual foreign assistance flows in the world.

That's not politics. That's just the math. Development finance institutions (DFI) represent roughly \$90 billion in annual commitments, and they are growing at 10 percent. (That does not include China, which can double that on its own.) Our model--your model--of development will soon be the world's largest by volume. Full stop. That means OPIC and other DFIs will have a central and outsized role in the major development agendas of the next decades:

- Harnessing the opportunities to build out renewable energy and mitigating and adapting to climate change and addressing the acute challenges of resource scarcity;

- creating the critical infrastructure that will drive economic growth;
- capturing the potential of technology to create opportunities and advance development to solve the last mile of connectivity;
- Addressing the youth unemployment that is so tied to stability and national security.

Why? Three very powerful forces are driving this: our clients, our markets and governments.

First, as I said in my opening, thanks to new technologies and business models that make it possible to address development challenges in a commercially viable way, investors are eager to invest. And they come through our door every day looking to us for support. Look at companies such as Nova Lumos, Mawingu, or D-lite or any of the promising projects coming through our Portfolio for Impact and Innovative Financial Intermediaries Program.

Second, Markets. Billions of people in Africa, Asia and LAC are hungry to catch up with the West. The number of African households with disposable income, for example, will double in the next 10 years. People who have had their worlds open up through mobile phone access and the internet now want, even demand, broadband, reliable electricity and better schools and health care. That type of hope is a genie that you cannot put back in the bottle, nor would one want to.

Governments both in developed and developing countries, recognize they urgently need private investors. They are beginning to realize that private investment can often deliver far more efficient services to their populations than the public sector can. It can take some time for that mindset to shift, as our deal teams know all too well. But once a country does its first independent power project, or grants its first concession, trust in private actors can build up. And the second and third projects can proceed more readily.

What we know firsthand is that investors, markets and governments will not come together spontaneously without some help. Investors need risk mitigation and finance and help interacting with local governments. Local governments need guidance in embarking on new partnerships and assurances that investors can be trusted to deliver services, set high standards, and take care with their local communities, laborers, and natural environment.

This is precisely what the teams at OPIC do so well, day in and day out. That's why I—along with so many others—am confident that the arc of this amazing agency will continue to be so strong and so high, to shine so bright and to offer such clear promise.

Finally, I want to express my deep appreciation for you, OPIC's board, for your leadership, your commitment to our agency and your service. I could not have asked for a greater team of exacting but supportive board members.

With that, I will close, as I always have, by expressing my personal appreciation for the commitment, brilliance and, yes, the grit and sheer fabulousness of the OPIC staff. As I have often said, you are without a shadow of a doubt the best in business. I am humbled by all that I have learned from you, and I am deeply proud and grateful for the privilege of having served our great country by your side.

This concludes my President's Report.