

**OVERSEAS PRIVATE INVESTMENT CORPORATION  
MINUTES OF THE OPEN SESSION OF THE JUNE 13, 2013  
BOARD OF DIRECTORS MEETING**

**Directors:**

Elizabeth L. Littlefield, President & CEO, Overseas Private Investment Corporation, Chair  
Dr. Rajiv Shah, Administrator, Agency for International Development (via teleconference)  
Robert D. Hormats, Under Secretary for Economic Energy and Agricultural Affairs,  
U.S. Department of State  
Michael J. Warren, Principal, Albright Stonebridge Group  
Katherine M. Gehl, President & CEO, Gehl Foods, Inc.  
Maxwell T. Kennedy, Director, Kennedy Enterprises  
Roberto R. Herencia, President & CEO, BXM Holdings, Inc.  
Naomi A. Walker, Assistant to the President, American Federation of State, County and  
Municipal Employees (AFSCME)  
James M. Demers, President, Demers & Blaisdell, Inc.

**Other Attendees:**

Eric Postel, Deputy Assistant Administrator for Economic Growth, Education and Environment,  
U.S. Agency for International Development  
Cecily David, Program Analyst, Economic Growth, Education and Environment,  
U.S. Agency for International Development  
Thomas Fine, Director of Services and Investment, Office of the United States Trade Representative  
Michael C. Fuchs, Team Leader, Trade and Project Finance, U.S. Department of Commerce  
Karen F. Travis, International Economist, U.S. Department of Labor  
Janet MacLaughlin, International Economist, U.S. Department of the Treasury  
Lee Caplan, Attorney-Adviser, U.S. Department of the Treasury  
Ileana Ciobanu, Special Assistant to Under Secretary Hormats, U.S. Department of State  
Debra Benavidez, Financial Economist, U.S. Department of State  
William Metzger, Program Examiner – International Trade, Office of Management & Budget

**Office of the President**

Mimi Alemayehou, Executive Vice President  
John E. Morton, Chief of Staff  
Paula Tufro, Deputy Chief of Staff  
Astri Kimball, Senior Advisor for Policy and Operations

**Office of the Chief Financial Officer**

Allan Villabroza, Vice President and Chief Financial Officer

**Office of Investment Policy**

Margaret L. Kuhlow, Vice President, Investment Policy  
Mary S. Boomgard, Managing Director, Environmental Impact Analysis Group  
Tara L. Guelig, Senior Labor and Human Rights Analyst  
Lori Leonard, Acting Managing Director, Economic & Development Impact

**Structured Finance**

Tracey L. Webb, Managing Director  
Nancy A. Rivera, Managing Director  
James D. Meffen, Director  
Harris C. Mehos, Director  
Chantala Chanthasiri, Analyst

**Small and Medium Enterprise Finance**

James C. Polan, Vice President, Small and Medium Enterprise Finance  
Lynn Tabernaski, Managing Director, Renewable & Clean Energy  
Michael Ratliff, Project Finance Specialist

**Investment Funds**

William R. Pearce, Acting Vice President, Investment Funds

**Insurance**

John F. Moran, Vice President, Insurance  
James Williams, Director

**Office of External Affairs**

Judith D. Pryor, Vice President, External Affairs  
Aysha House-Moshi, Director of Congressional Affairs  
James W. Morrison, Special Assistant (Congressional and Intergovernmental Affairs)  
Nancy Payne, Communications Director

**Department of Legal Affairs**

Don S. De Amicis, Vice President & General Counsel and Counsel to the Board  
Brian Christaldi, Associate General Counsel, Project Finance  
Merlin Liu, Associate General Counsel, Direct Loans and Housing Finance  
Cindy R. Shepard, Assistant General Counsel  
Shai Ingber, Assistant General Counsel  
Alexander M. Evans, Assistant General Counsel  
Susan J. Nathan, Senior Commercial Counsel  
Connie M. Downs, Corporate Secretary

**Office of Administrative Services**

Dennis Lauer, Vice President, Office of Administrative Services and Chief Information Officer

**Office of Human Resources**

Rita Moss, Vice President for Human Resources

**MEETING CALLED TO ORDER**

Ms. Littlefield called the meeting to order at 10:06 AM.

**A. PRESIDENT'S REPORT**

Ms. Littlefield called on Ms. Downs to report on the outcome of OPIC's Public Hearing in Conjunction with today's meeting. Ms. Downs reported that OPIC published notices of its Public Hearing in Conjunction with today's Board meeting in *The Federal Register*. No requests were received to speak or to submit copy for the record, so the meeting was not held.

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

*Mr. Hormats joined the meeting at 10:12 AM.*

*Dr. Shah joined the meeting at 10:20 AM.*

**CONFIRMATION**

Ms. Littlefield moved to the confirmation of Margaret Kuhlman as Vice President for the Office of Investment Policy. Mr. Hormats moved and Mr. Warren seconded the motion, and by a unanimous voice vote the following resolution was approved by the Board.

BE IT RESOLVED, that the President's appointment of Margaret L. Kuhlman as Vice President, Office of Investment Policy, be and hereby is confirmed.

**B. APPROVAL OF THE MINUTES**

Ms. Littlefield moved to the approval of the minutes of the Open Session of the March 21, 2012 Board meeting. Mr. Herencia moved and Ms. Gehl seconded the motion, and by a unanimous voice vote the minutes were approved.

Ms. Littlefield closed the meeting to the public at 10:27 AM.

Respectfully submitted



Connie M. Downs  
Corporate Secretary

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PRESIDENT'S REPORT

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By Elizabeth L. Littlefield  
President & Chief Executive Officer  
June 13, 2013

Good morning and welcome. I would like to start with a few numbers from OPIC's financial results since we are now three quarters of the way through the fiscal year, and this is a good time for us to look ahead and see if we are on track to make our ambitious targets and our goals one quarter from now.

To date OPIC's commitments are at about \$1.2 billion, which is excellent and much closer to our year-end targets than where we were at this point last year. Of this amount, renewable resources commitments continue to be a very strong subset. Renewables are about \$435 million committed thus far this year and, as you see, we have a significant number of renewable energy transactions coming to the Board today.

Of course, commitments are important, but what is most important is achieving financial close and actual disbursements on projects. That's where we create the development impact that is our *raison d'être*, as well as the financial impact that keeps us going. I am very pleased to inform the Board that OPIC's income number thus far, which results from those disbursements, is also well above plan thanks to a number of factors including a more intentional and focused concentration on pricing within the Agency. So we are proud to say that we will no doubt be able to end the year again saying that this is the 36th year that OPIC generated a return for the taxpayers and operated on a fully self-sustaining basis. We are, as I often say, the prime example of development that pays for itself.

New transactions booked and disbursed are very important, but portfolio quality is also important. I am proud to say that OPIC's portfolio quality, which of course reflects previous years' performance, continues to be remarkably strong. Our write-offs so far this year have been less than .07%. This is extraordinary and, as OPIC's Board, we should applaud performance that is laudable for any financial institution, certainly one like OPIC given the markets in which we operate and the fact that we take risks that, by definition, nobody else will take. This extraordinary performance speaks again of the talents of both our originating teams and our deal structuring teams, and our portfolio management in OCFO.

Three quarters of the way through the year, we are doing well. That said we are set to have a very, very busy fourth quarter. One hint of this is that our Office of Investment Policy has completed 67 project clearances so far this year as opposed to about 180 projects cleared last year, which means that there is probably a large volume yet to come before year-end.

I want to underscore once again that these very strong financial results are being accomplished by a tiny and extraordinary staff of 225 - to be precise. Even before the sequester, we were absurdly small from a staff perspective compared to our peer group of other DFIs. I like to remind people that we are half the size of our Dutch equivalent, and yet Holland is the size of Connecticut and our GDP is 27 times that of Holland. So we are very small compared to our competitors, and operate on a very tight budget. And frankly, we all have big ideas we want to realize and ambitions we want to achieve, and it has been very difficult to operate with these extraordinarily tight resources. So, I hope the Board is as proud as I am that this OPIC team has accomplished these results so far this year under what have been leaner times than we have had for the last 15 or 20 years.

I would like to move ahead now and do a quick tour of the globe and mention a few of our recent highlights from various regions of the world. First, starting with Africa, I think we all know that we have

placed a lot of effort on that continent. I am proud that as a result we have seen our Africa portfolio grow, and that every department in the Agency has contributed towards that growth. Africa is now over a quarter of our overall portfolio of \$16 billion and growing. We closed an important transaction just last month with the Sun Edison Boshoff deal (Firefly) in South Africa, which was very important for a number of reasons. As you know, President Obama is planning a trip to Senegal, Tanzania and South Africa later this month. Mimi in particular, but I behind her, have advocated very strongly that this trip should focus on the extremely dynamic and forward looking messages of opportunities around investment in Africa on growth rates, on "Africa rising". During the President's trip, OPIC will be hosting an event in South Africa that will bring together business leaders from the US as well as from Africa around the issues of optimizing and accelerating investment from the US and Africa.

I don't want to get ahead of the President, but want to give the Board a heads up that he will be making some important announcements on the power sector in Africa, and the work we have been doing together with USAID and our interagency colleagues that I think will be very well-received. He may also be making announcements around OPIC deals. In particular, we will be highlighting some of the first transactions that will come from ACEF -- our Africa Clean Energy Finance Facility, and a biomass and a solar facility.

Coming to the Middle East, we have spent a lot of time talking about the region during the last several Board meetings, so I won't spend much time here. But suffice it to say that we continue to work very closely with the State Department and our other interagency colleagues to do everything in our power to attract investment into difficult places like Egypt. We are working very closely with USAID, and I think I have mentioned over and over again, our partnership with USAID has been critical to enabling OPIC to put together the important small and medium enterprise loan guarantee facilities that we have mounted in the Middle East, including Jordan, the West Bank and Egypt.

In Jordan, we have out-performed expectations and are now carefully managing our portfolio through syndications with other development finance institutions, like EBRD. We are refreshing our engagement in the West Bank to support Secretary Kerry's new efforts there, and in the coming months you will see us putting greater emphasis on what OPIC can do to underpin and support economic transformation in the West Bank and Gaza. In other markets like Morocco and Lebanon, we are seeking opportunities to expand.

In South Asia, Pakistan, in addition to India, has been a very important priority for the State Department and for the Administration. We have been strongly encouraged to do what we can to support investments in Pakistan. As I think all of you know, Pakistan is an extremely difficult and complicated market in which to operate. There again, I'm very proud to see how nimble and agile the Agency has been. We have just over \$100 million in portfolio today and, responding to this call from the Administration and the State Department, we have built up a robust pipeline of over \$1 billion in a number of key sectors, particularly in energy.

I will be traveling to Pakistan later this month with a team of colleagues from OPIC. With such a growing pipeline, in a difficult place, I want to make sure we are engaging with the government, and that the government understands fully and is supportive of OPIC at all levels. So, that is our Pakistan plan.

In India and in the rest of South Asia, we remain very active & engaged. John Morton will be traveling with Secretary Kerry to India for the Economic Dialogue again this year. Our commitments to India remain robust and firm. We will be focusing more on diversifying our portfolio there because we have a very strong one. And going forward, we hope that this Economic Dialogue will give us the opportunity to focus on some key economic reforms, particularly as it relates to improving the quality of power purchase agreements, which will improve the credit worthiness of transactions in the renewable energy sector in India.

In Latin America, which is about a quarter of our portfolio, we have been focusing mainly on the banking sector, on small and medium enterprise, and also in renewable energy. The Investment Funds department is active in Latin America, as is the Insurance and Finance departments. As you can see from our suite of deals today, OPIC has been an important catalyst in the utility scale renewable energy sector. As you know, at the last Board meeting, we approved the first ever utility-scale solar projects in Peru. That was followed by two 20 MW deals that we approved in late 2012. And of course, we have the important deals that we will see today.

I should mention, since we are on Latin America, Haiti. We have a lot of success in a lot of regions and countries; however, I am sad to say that Haiti has not been one of them so far despite the trip that Naomi Walker and I took with Paula Tufro and Michael McNulty a couple of months ago. Many, many opportunities emerged on that trip but, again it is a difficult market, and none of those opportunities has come to fruition. We have been held back by challenges like deals needing a bit of equity or grants that OPIC cannot provide, and difficulties such as our US effects policies, particularly as it relates to the apparel industry. Again, I would love to talk about success in Haiti, and I have full confidence that we will find a couple of opportunities to support Haiti in the coming months. It is so very important that we do so.

And finally in East Asia, OPIC is extremely keen to support the Administration's rebalancing towards the Asia Pacific. We have made a commitment of \$1 billion to support the energy sector in the region and have taken a number of marketing trips out there. We are a little less known in Asia than elsewhere, but I am hopeful that over the coming months we can develop a robust portfolio in the region. The deal you are going to see today – the Malaysia hospital transaction – should help to draw attention to OPIC's presence and our structuring capabilities as well. We particularly welcome the partnership with the Asian Development Bank, which is our first and should give rise to a number of other opportunities.

Of note also in Asia is that OPIC has signed an Investment Incentive Agreement with Myanmar, and once a few more conditions are met, we will be open and ready for business in that country. There is a lot of US investor interest in Myanmar, so I hope that we will soon have some interesting opportunities there.

Finally, coming back closer to home, there have been many changes in the Administration over the last few months, and Mimi and I have been actively meeting with new Cabinet members and nominated but not yet confirmed Cabinets members. We are looking forward to continued and renewed excellent friendships and collaboration with our fellow USG agencies, especially the State Department, Treasury, Commerce, Labor and USAID.

On the Hill, we have had a heightened level of engagement in the recent months – as you heard in the breakfast earlier. We have had active engagement with all four of our Committee Chairs. There are several bills brewing that relate to OPIC. I want to thank you all for your support on that front. As you know, our emphasis on the Hill has been singularly focused on two critical goals. Number one is getting more resources for the Agency. The President's budget proposed a 30% increase in OPIC's budget, which is a huge statement of support. We would like to see that budget materialize. That's our number one goal. Our number two goal is reauthorization. We would love to see a permanent reauthorization, but we would be very excited to see something beyond the one year, rolling reauthorization that we have had for so many years. We are gunning for a five or four year reauthorization, and we are cautiously optimistic that we just may have a shot at it.

I would close by saying that it is extraordinary what the OPIC staff have achieved in these particularly lean times. Yours is a team of client-focused problem-solvers who are creative and energetic at navigating around resource constraints. The feedback from clients of all sorts and at all levels is universally appreciative and deeply respectful, not only of OPIC's senior and junior origination officers, but the legal teams, the investment policy teams, the OEA teams, etc. So I am incredibly proud to be

serving alongside the extraordinary OPIC staff going forward. I think they are model public servants, and it is my pleasure to serve alongside them in this, President Obama's, second term.

That concludes my report.