

BY THE BOARD OF DIRECTORS
OF
THE OVERSEAS PRIVATE INVESTMENT CORPORATION

BE IT RESOLVED, that the Board hereby approves financing under Section 234 of the Foreign Assistance Act of 1961, as amended, of up to \$200 million as part of the financing of a power project in Brazil and Bolivia (the "Project") sponsored by Enron Corporation, Shell, and Transredes (the "Sponsors"), provided that, prior to any final commitment for the Project, OPIC Management is satisfied that:

- (i) the Project meets all of OPIC's environmental requirements;
- (ii) the report of the second phase of the Supplemental Environmental Assessment ("SEA") related to secondary impacts of the Project in Bolivia provides for practical and effective means of addressing all issues identified in the second phase SEA report that OPIC Management determines are key;
- (iii) the second phase SEA report has been widely distributed in English and Spanish; a meeting (to which members of the Board may be invited by OPIC Management to attend) has been held in Santa Cruz, Bolivia to receive comments on such report; such comments have been taken into consideration in the preparation of the final plan; and, in particular, the non-governmental organizations that have signed the Protocol with the Sponsors and GasBol relating to an Environmental Conservation Program in Eastern Bolivia, and representatives of indigenous peoples organizations that have signed Indigenous Peoples Agreements with the Sponsors and Gasbol, have had an opportunity to participate in this review and comment process;

- (iv) an Environmental and Social Management System has been developed that will (a) implement the Environmental Management and Monitoring Plan and the Indigenous Peoples Development Plans prepared in connection with the Project and approved by OPIC Management, (b) provide for oversight by personnel determined by OPIC to be qualified, including daily environmental monitoring of the construction process, and (c) assure that the route of the pipeline will be altered during the course of construction in order to avoid any areas of critical habitat or primary forest (as "primary forest" is defined in OPIC's Environmental Handbook of April 1999), including such areas of critical habitat or primary forest not identified as such in the Phase I Draft SEA;
- (v) an adequate environmental training program for employees of each contractor and sub-contractor involved in the construction for the Project has been implemented and arrangements have been made to minimize and effectively to mitigate the social impacts of the construction on local communities;
- (vi) all preliminary steps identified in the Protocol signed by the Sponsors and GasBol and five non-governmental organizations (Fundacion Amigos de la Naturaleza, Museo de Historia Natural Koel Kempff Mercado, Missouri Botanical Garden, Wildlife Conservation Society, and World Wildlife Fund) have been carried out, including:
1. Formal signing of the Protocol by all parties, thereby creating the Chiquitano Forest Conservation Consortium ("CFCC"),
 2. Creation of the CFCC Steering Committee, and
 3. Legal establishment of the CFCC Partnership Trust Fund;
- (vii) the judgments made by Dr. Gonzalo Navarro in the Phase I draft SEA and accompanying letter to World Wildlife Fund Bolivia dated May 26, 1999 have been independently confirmed as reasonable

judgments in the context of OPIC's definition of a primary tropical forest; and


- (viii) the Governments of Bolivia and Brazil endorse and support conservation efforts in the areas around the pipeline, and have committed to participate in the development of conservation plans and to promote the implementation of these plans; and

provided further, that, prior to any disbursement of the OPIC financing, OPIC Management is satisfied that all appropriate agreements with indigenous people in connection with the Indigenous Peoples Development Plans for both Bolivia and Brazil have been pursued in good faith.

In addition, the Board directs OPIC Management, not as conditions to approval of the Project or disbursement of OPIC financing but as obligations of OPIC Management to the Board: (a) to certify to the Board that the conditions set forth in the resolution have been fulfilled; (b) to advise the Board upon the identification of any areas of critical habitat or primary forest that require re-routing of the pipeline hereunder; (c) to report to the Board in writing not less frequently than annually, for so long as any amount of the financing approved hereby remains outstanding, the status and progress of the Environmental Conservation Program in Eastern Bolivia being implemented by the CFCC; (d) to deliver to the Board for its review the results of an audit of such report conducted by an independent and qualified firm or organization; and (e) to report to the Board annually the results of an independent expert's audit of the Project designed to determine whether the Project is being carried out in a manner that complies with OPIC's environmental requirements.

Approved by the Board of Directors
On June 15, 1999





Connie M. Downs
Corporate Secretary