



March 22, 2010

Comments on OPIC's draft environmental & social policy statement
From Larry Williams, Senior Advisor, Sierra Club International Programs

Thank you for the opportunity to comment on OPIC's draft environmental & social policy statement. As the oldest and largest grassroots environmental organization in the United States, representing 1.2 million members, we are pleased that OPIC is updating this important statement. We are hopeful that OPIC will set a high standard for public financial institutions in setting targets and timetables for greenhouse gas emission reductions.

We have the following comments:

- We urge OPIC to integrate human rights into this policy statement. The protection of human rights is necessary for a civil society which can freely interact with their government on social and environmental issues without fear of reprisal.
- The cumulative impact considerations of proposed projects should not be excluded when considering the environmental and social impacts. The health effects of long-term emissions into the air and water must always be considered as well as the impact on scarce resources.
- Section 3.1 of the draft indentifies the public disclosure process. It should be explicitly required that public disclosure also includes the disclosure of the environmental and social monitoring and reporting.
- Public consultation should be required for all projects, not just category "A" projects. In many instances public consultation brings to light aspects of a proposed project that were not considered when originally classified as something less than category "A".
- It should be presumed that all relevant information concerning a proposed project will be made available to the public and the withholding of "confidential business information" the exception.
- As you may know, Environmental Policy Act regulations for the preparation of an environmental impact statement require "scoping." Scoping is a process which requires project sponsors to consult with the public prior to the writing of an environmental statement. OPIC's policy statement should include a robust scoping requirement. OPIC should require scoping is properly undertaken prior to moving forward with funding considerations. The scoping report would have the advantage of providing OPIC with information that a sponsor may not be willing to share or did not know about. A scoping process would also facilitate OPIC site visits by helping the staff to quickly identify the issues of concern to the community. The scoping document should be public on OPIC's web site with an opportunity for public comment.
- Section 6.3 requires clients to submit an annual environmental and social report. This draft policy statement does not require the project to conduct further certified independent audits if it fails to file an annual report. The dropping of this import provision for current OPIC requirements violates HR 3288 which does not allow for a reduction of standards in its social and environmental guidelines.
- Section 8.5 prevents OPIC clients from claiming that a project has "negative" emissions. It appears that OPIC has created a potential loophole that would allow OPIC to assign zero level emissions to coal and other projects. We urge that this entire paragraph be re-written to clarify that it is not OPIC's intention to assign projects negative emissions