

OVERSEAS PRIVATE INVESTMENT CORPORATION  
WASHINGTON, D.C. 20527, USA



OFFICE OF THE  
PRESIDENT

Internal Memorandum  
February 20, 2014

From: Elizabeth Littlefield

A handwritten signature in black ink, appearing to be 'EL', written over the printed name 'Elizabeth Littlefield'.

To: Keith Kozloff

Subject: Request for Office of Accountability to conduct a "lessons learned" review of the Buchanan Renewable Energy projects in Liberia

Over the period, 2007-2011, OPIC supported a series of transactions in support of Buchanan Renewable Energy (BRE), an enterprise designed to bring jobs, economic development and power to Liberia by constructing a biomass power plant and by harvesting and processing unproductive rubber trees and using the chips to; (a) export to European markets; and (b) power the proposed biomass plant in the country. Unfortunately, for reasons outside of OPIC's control, these projects did not progress as planned and our clients folded their operations in Liberia in early 2013.

Because of a host of factors including the complexity of project structure, the very low income of the country, the engagement of large amounts of low-wage labor, and the general difficulties of operating in post-conflict environments, I and the rest of OPIC management want to extract lessons that could be applied to future OPIC projects in similarly difficult markets.

In January, 2014, a US-based NGO released a report and a short video alleging a series of misdeeds committed by BRE during the time of OPIC's support for the company. OPIC's contractual relationship with Buchanan ended in January, 2013, and we no longer have any legal arrangement with the company and thus no obligation to investigate. That said, we feel that issues raised in the report are of sufficiently serious a nature to merit a rigorous review. The project provides a unique opportunity for OPIC to review its engagement, assess the overall development impact of the project and to generate lessons for OPIC and other actors engaged in complex development projects in post-conflict countries.

Consequently, I am requesting that OPIC's Office of Accountability (OA) conduct a robust, independent internal review of OPIC's overall experience with the project, in order to generate lessons that might be applied to future projects. This review will seek to assess: (a) the credibility of allegations made against OPIC's client (both relating to projects supported by OPIC and those where OPIC was not engaged); (b) OPIC's application of relevant policies and procedures to the projects; and (c) the adequacy of OPIC's policy framework in the context of relevant country, sector, and client characteristics. Depending on its findings, the resulting

report may make suggestions for OPIC's approach to future projects relating to policies, procedures and/or good practices. This request is consistent with the OA's existing authority and mandate.

Further, I endorse the following planned components of the review process:

- The OA will have authority to specify the review's scope and design within the objectives of this request, access to all relevant information, and sufficient resources to implement the review in a timely manner.
- Once it has completed the review, the OA will circulate a draft report to Management for review of its factual accuracy. Upon incorporating comments from Management, the OA will finalize the report and transmit it to Management and the Board.
- OPIC's Management will prepare a written response to the report that addresses its observations and recommendations.
- The OA will post a substantive summary of the report on the OA's public website along with Management's response.
- To the extent that Management's response calls for changes to an OPIC policy or procedure, the OA will report to OPIC's P&CEO and Board on the implementation of the changes with respect to appropriate future projects.

Thank Keith,  
Shelley