Report of the

OVERSEAS PRIVATE INVESTMENT CORPORATION

ANNUAL REPORT

ON DEVELOPMENT IMPACT

FISCAL YEAR 2014

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EXECUTIVE SUMMARY

The Overseas Private Investment Corporation (OPIC) is the U.S. Government's development finance institution. OPIC mobilizes U.S. private capital to help solve critical development challenges and, in doing so, advances U.S. foreign policy.

In Fiscal Year 2014 ("FY14"), OPIC committed support to 86 new projects in developing and emerging markets. This report summarizes the projected impact that these projects will have on local economies. It also summarizes the results of OPIC's site monitoring activities that were conducted on previous years' projects in order to ensure compliance with OPIC's standards for environmental and social sustainability and to measure projects' developmental outcomes.

Development Impact

OPIC supports projects in some of the most challenging business environments in order to catalyze economic development. In doing so, OPIC supports key U.S. foreign policy objectives and promotes political stability. OPIC- supported projects create new and permanent jobs, increase revenues for host-country governments, and foster future private sector activity in developing and emerging markets. Simultaneously, OPIC-supported projects create inclusive economic growth by reaching traditional underserved populations and help transform economies by bringing new expertise to these markets. In the long run, OPIC-supported projects improve governance and ensure political stability. This is particularly important, given that 34 percent of OPIC's portfolio is in states that are experiencing or vulnerable to conflict.

OPIC leverages the U.S. private sector in order to help solve development challenges. OPIC has recently emerged as a leader in promoting investment in renewable resources, and OPIC's commitments in this sector have grown more than ten-fold since 2009. OPIC also plays an important role in implementing key U.S. foreign policy initiatives including Power Africa. Over a quarter of OPIC's portfolio is now committed to development in Sub-Saharan Africa.

OPIC expects that the 86 new projects supported in FY14 will:

- Provide $6.8 billion in total new investment in developing and emerging markets.
- Create over 9,000 permanent host country jobs over five years, in addition to 360,000 local jobs that OPIC's current portfolio supports.
- Increase renewable energy generation capacity in emerging markets. OPIC committed a record $1.2 billion to new renewable energy projects in FY14 which will provide 1,027 megawatts of renewable energy generation capacity.
  - This will avoid the equivalent of 1.9 million tons of CO_2 emissions per year; which is equal to the emissions of 400,000 passenger vehicles each year.
- Generate $144 million in host country tax revenue in FY14.
- Procure $5.5 billion in local goods and services, and generate $720 million in tax revenues for host country governments during the first five years of operations.
- Support 20 new projects throughout Sub-Saharan Africa. Three of these 20 projects fall under President Obama's Power Africa Initiative and are projected to mobilize $760 million in private capital while generating power from wind, solar, and thermal energy sources.

Environment, Social, Labor, and Human Rights Impact

OPIC-supported projects meet international best practices for environmental and social sustainability and respect labor and human rights. OPIC screens each project to identify and mitigate potential adverse impacts. In FY14, OPIC classified six new projects as "Category A" given their heightened environmental and social risks and designated two projects as "Special Consideration" given their heightened labor rights risks. OPIC requires additional mitigation and monitoring for these projects. OPIC also tracks the direct greenhouse gas (GHG) emissions from active projects in its

portfolio. Since 2008, the aggregate, direct GHG emissions associated with OPIC-supported projects in its active portfolio decreased by almost 45 million tons of CO_2 equivalent (CO_2e) from 52 million tons of CO_2e in FY08 to about seven million tons in FY14. This represents an 86% reduction in portfolio emissions.

Support for U.S. Economy

New FY14 OPIC-supported projects are expected to support 409 U.S. jobs over the next five years by procuring an estimated $316 million in goods and services from the United States. Seventy-eight percent of these projected U.S. jobs are associated with renewable resource projects. As with all projects, OPIC reviewed FY14 projects to ensure that none were expected to result in the loss of U.S. jobs.

U.S. small businesses were significant partners in more than half of new OPIC-supported projects in FY14. In addition, OPIC expects that new projects committed in FY14 will procure $15 million in goods and services from U.S. small businesses located in 16 states and the District of Columbia.

Project Monitoring

OPIC monitors every project from inception to conclusion in order to ensure compliance with OPIC policies and to assess projects' development impact. OPIC monitors projects annually through a self-monitoring questionnaire as well as through periodic site visits, which are conducted on both a risk-based and random basis.

Other Initiatives

OPIC is undertaking a number of initiatives to enhance its ability to assess development impact and improve its monitoring and reporting. These include:

- *Harmonizing indicators with other development finance institutions (DFIs)*. OPIC is participating in working groups with other DFIs to develop standardized development impact indicators. Adoption of standardized indicators by multiple DFIs will reduce reporting burdens on clients and allow for more efficient reporting by DFIs.

- *Refining indicators used to assess development impact.* With over two years' experience in using a revised model to assess development impact, OPIC is reviewing its experience and the results of its assessments and plans to refine its methodology.

- *Revised reporting.* Using feedback from stakeholders and incorporating the results of the indicator harmonization effort, OPIC is in the process of revising its client reporting forms to make them more client-friendly and improve response rates.

- *Improving accessibility of data.* OPIC is improving its data infrastructure and processes to improve the accessibility of development impact data both within the agency and to external stakeholders.

- *Client satisfaction.* OPIC collects client satisfaction data through a voluntary survey. In FY14, 85 percent of respondents reported overall satisfaction in working with OPIC and 87 percent reported that they would work with OPIC again.

I. Fiscal Year Overview

In FY14, OPIC commited support to 86 new projects in 39 countries. These projects are projected to result in $6.8 billion in total investment in developing and emerging markets.

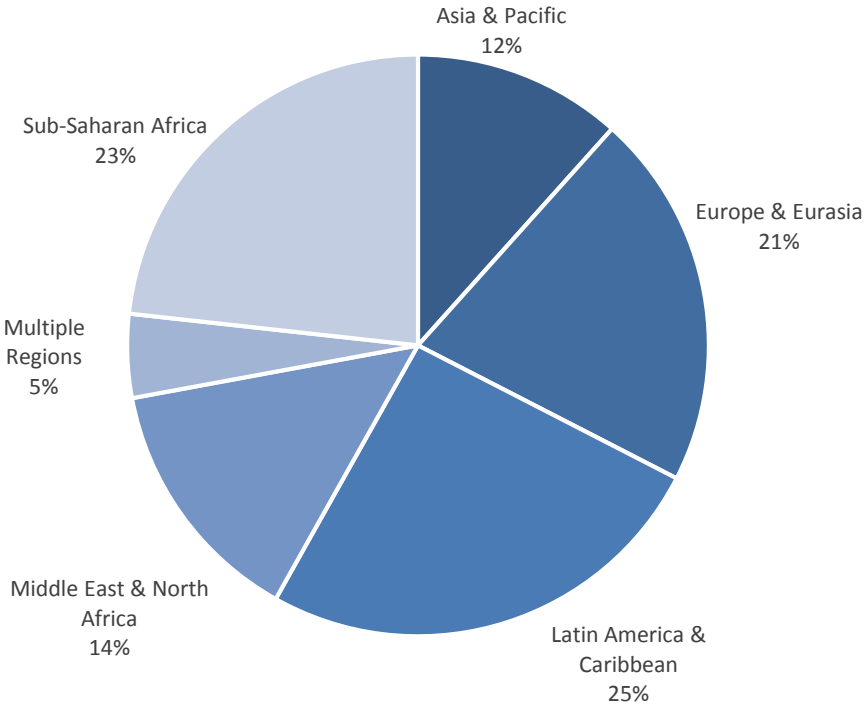
OPIC offers its clients project financing and guarantees, political risk insurance, and loan guarantees to private equity investment funds. The 86 new projects[1] that OPIC committed to support in FY14 included:

- 52 finance projects;
- 5 insurance projects; and
- 29 investments in portfolio companies by OPIC-supported investment funds.

Figures 1 and 2 illustrate the regional and sector distribution of these projects. Figure 3 disaggregates by source of funding the $6.8 billion in projected new investment.

Figure 1

Regional Distribution of New FY14 Projects (#)



[1] These projects include new finance and insurance projects that have not been previously reported to Congress and also include downstream investments made by OPIC-supported investment funds and through framework agreements.

Figure 2

Sectoral Distribution of New FY14 Projects (#)

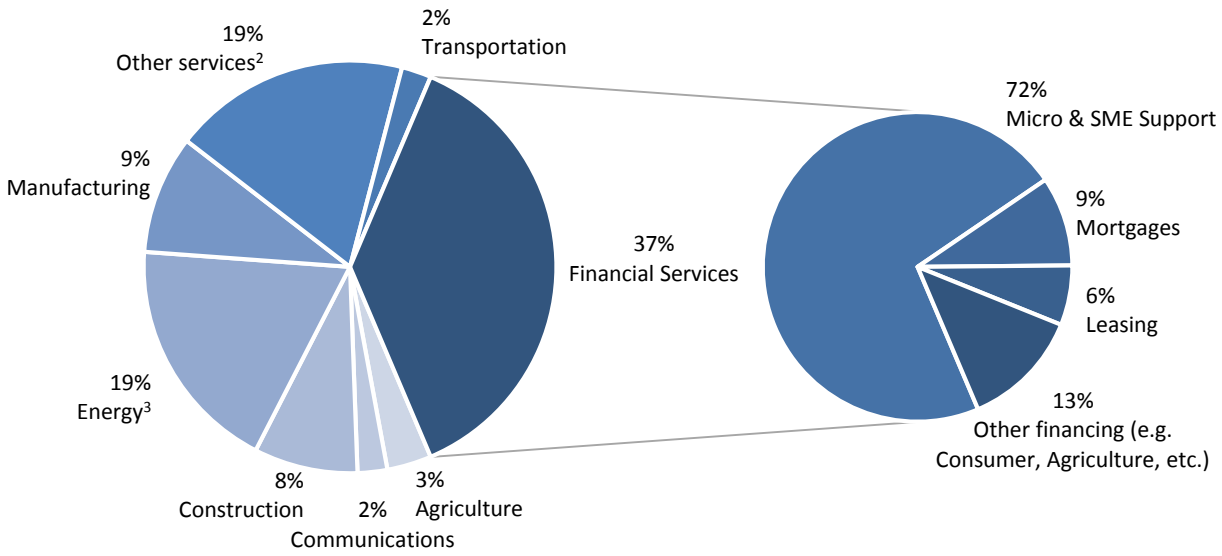
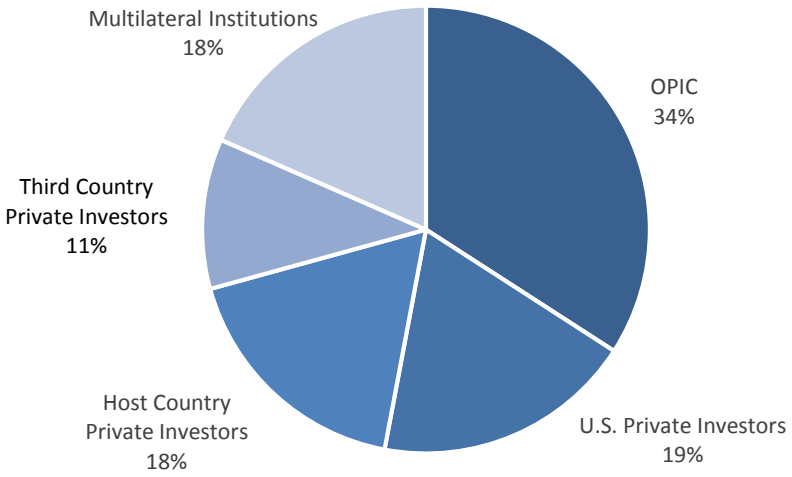


Figure 3

Sources of Debt and Equity Investment in New FY14 Projects ($)



[2] "Other services" include medical, food services, schools, equipment supplies, and internet publishing and broadcasting.

[3] Ninety-four percent of the new energy projects OPIC supported in FY14 were renewable energy projects.

Figures 4 and 5 disaggregate FY14's new $1.2 billion in renewable energy projects by technology and region, by number of projects.

Figure 4

New FY 14 Renewable Energy Projects by Technology (#)

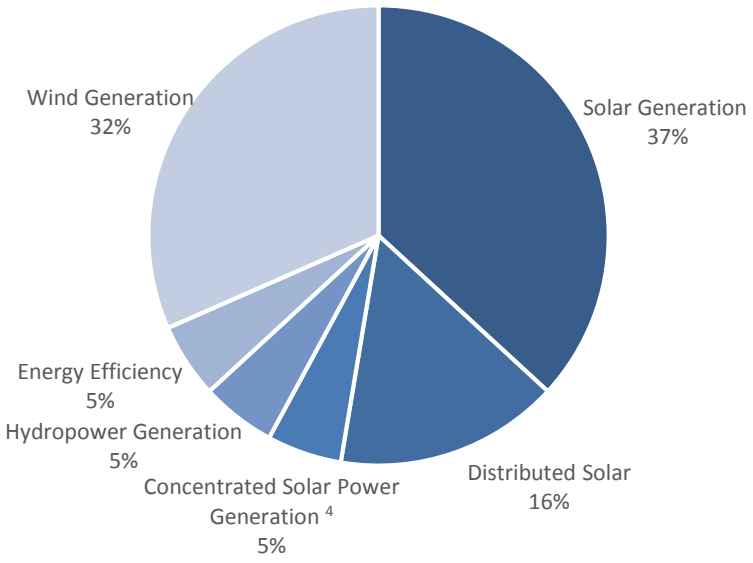
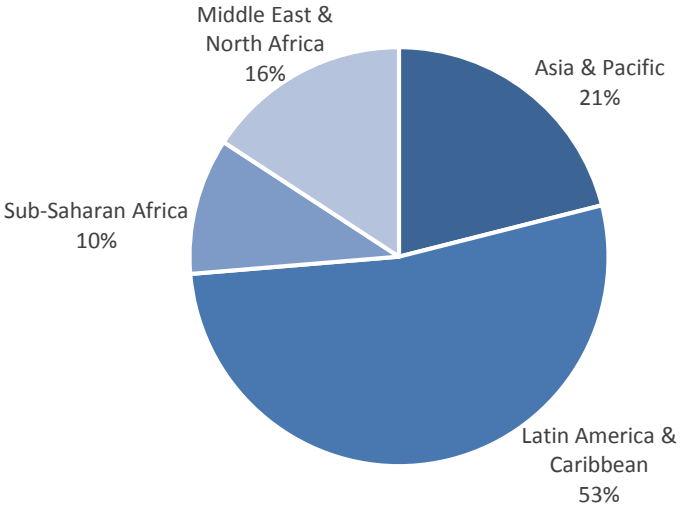


Figure 5

New FY14 Renewable Energy Projects By Region (#)



[4] Concentrated solar power (CSP) systems use lenses or mirrors and tracking systems to collect energy from the sun, which is typically used to fuel large scale thermal power plants. Photovoltaic systems convert energy from sunlight using large arrays of solar cells electrically connected and encapsulated as modules. PV systems can be utility scale when large numbers of panels are constructed over large tracks of land, or single or multiple panels can be used in residential or commercial buildings to provide electricity for hot water to homes or businesses. Small projects which do not connect to a central electrical grid are known as distributed generation.

II. Development Impacts

Projected Development Impacts from FY14 Projects

OPIC's mission is to mobilize U.S. private capital to help solve critical development challenges and, in doing so, advance U.S. foreign policy. OPIC supports projects that will serve as foundations for long-term economic growth, provide new products and services, and deliver significant economic and social benefits to developing and emerging economies. While direct job creation is perhaps the most visible and important of these benefits, OPIC-supported projects also generate additional local economic benefits by procuring goods and services from local suppliers, paying taxes to host country governments, which provide public services, and at times contributing to developing countries' export base, an important driver of economic growth. The following projected information in Table 1 is compiled from investor-supplied data that is analyzed by OPIC.

Table 1
Projected Development Impacts of
New FY14 Projects

Managerial, Professional and Technical Jobs*	3,595
Unskilled labor*	5,683
Total	*9,278*
Initial host country procurement	$3.7 billion
Host country operational procurement*	$1.7 billion
Net annual taxes, revenues and duties paid to the host country*	$144 million
Annual host country current account impact *	
Exports generated & imports replaced *	$244 million
Project-related imports	$29 million
Net impact *	$215 million

* Average annual amount projected over a 5-year period

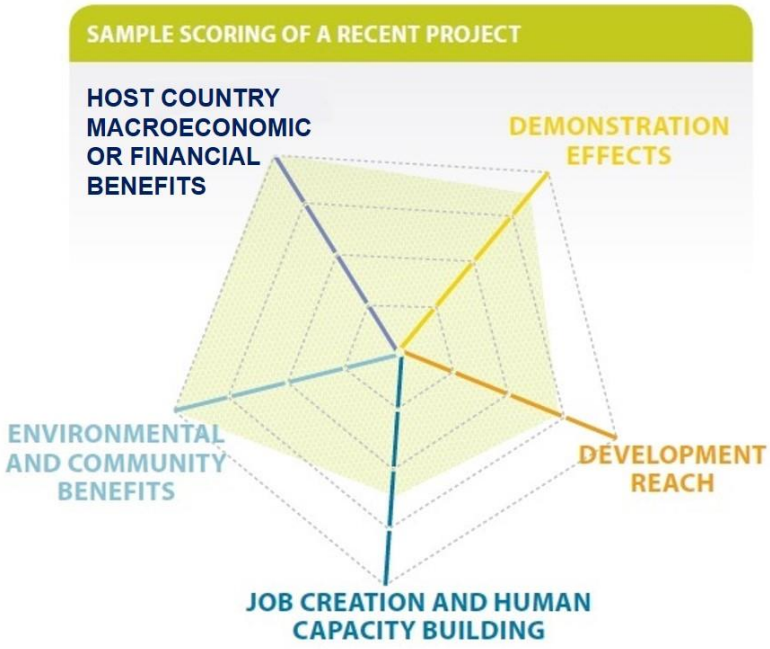
Assessing Development Impact

As the U.S. Government's development finance institution, OPIC seeks to support projects that will produce strong positive developmental impact.

While many of the benefits of these projects are clear from the start, these same projects often produce indirect benefits such as creating jobs, increasing a country's tax revenue or generating procurement of local goods and services.

The following spider graph charts the potential developmental impact across the following five categories of developmental impact.

- **Development reach**: OPIC seeks projects targeting those with the greatest need. This category measures the extent to which a project will reach previously underserved populations.
- **Environmental and community benefits**: OPIC puts a premium on projects that support the planet and its people. In FY14, OPIC committed to projects that are projected to generate more than 1,000 MW of clean energy.
- **Job creation and human capacity building**: New projects OPIC committed to support in FY14 are expected to create over 9,000 host-country jobs.
- **Host country macroeconomic or financial benefits**: OPIC projects often generate macroeconomic benefits to the host country in the form of additional tax revenue and local procurement of goods and services.
- **Demonstration effects**: A development project often results in the introduction of new products or services, or business or production process that benefit the host country economy.



Impacts from OPIC's portfolio in FY14

Active OPIC-supported projects are required to report annually on U.S. economic and host country development impact and relevant environmental, social, health & safety, and labor issues by completing an online Self-Monitoring Questionnaire (SMQ). In 2014, OPIC received and reviewed 348 SMQs from 405 projects for which SMQs were required, a response rate of 86%. The development impacts reported below are based on data obtained from 334 SMQs.[5]

Development Reach

[5] These results do not include development impact data from 14 SMQs because they were incomplete.

OPIC supports projects that have a significant development reach to poor, underdeveloped, and/or rural areas of the host country. When support for a financial intermediary increases lending in low income or rural areas, for example, it can increase access to finance for previously underserved populations.

- OPIC-supported financial intermediaries reported that they lent $12.8 billion to individuals and businesses in rural areas

Environmental and Community Benefits

Projects often provide benefits to local communities and improve the local environment, which enhances the positive relationship between the enterprise and local stakeholders. Among SMQ respondents:

- 61% offered at least one type of benefit to the local community such as recreational facility, schools, scholarship programs and medical clinics

- 47% participate in initiatives to improve the environment

Jobs and Human Capacity Building

In FY14, SMQ data showed that OPIC-supported projects employed 360,000 people in the host countries.

Romania's leading provider of advanced diagnostic imaging services procured more than $770,000 in goods and services from U.S. suppliers last year, and paid $865,000 in duties and taxes to the host government. The company also provided health services to 175,000 patients and employed more than 300 permanent workers.

A financial institution which is the majority shareholder of 22 banks in Africa, Latin America, and Eastern Europe, reported providing loans to over 2 million MSMEs and disadvantaged lower- and middle- income earners worldwide. With an average loan size of $17,500, this has created over 11,000 permanent jobs.

OPIC's current portfolio supports:

- 137,000 local jobs in Europe & Eurasia
- 68,000 local jobs in Latin America & the Caribbean
- 61,000 local jobs in Asia & the Pacific
- 60,000 local jobs in Sub-Saharan Africa
- 28,000 local jobs in the Middle East and North Africa

OPIC-supported projects offer good quality jobs, helping to increase overall skill level of employees. Of all the local workers reported by OPIC's clients:

- 91% of women held a job at the managerial or professional level
- 86% of men held a job at the managerial or professional level

OPIC-supported projects are strongly aligned with international best practices in human resource management:

- 92% of OPIC-supported projects offered employees various company benefits including transportation, meal subsidies, pension plans, or medical coverage; that exceeded requirements under local law[6]
- 87% of OPIC-supported projects have a grievance mechanism in place for employees to express complaints or issues

Host Country Macroeconomic or Financial Benefits

By procuring goods and services locally from host country businesses, OPIC-supported projects can strengthen existing local businesses, help launch new local businesses, and increase the diffusion of technology. Among SMQ respondents:

> A broadband telecommunications provider based in Barbados reported procuring more than $51 million in goods and services from U.S. suppliers. The company paid more than $54 million in duties and taxes to the host government, served more than 600,000 customers and provided more than 2,300 permanent jobs.

- 63% procure locally, injecting $3.8 billion into local economies in a one-year period
- $6.9 billion was paid to host country governments in duties, taxes, and other payments in a one-year period

Demonstration Effects

Projects supported by OPIC increase economic development by helping local enterprises acquire knowledge and technology, which increase productivity. Among SMQ respondents:

- 63% include local ownership, which increases knowledge transfer. Of this local ownership, 21% is comprised of small and medium enterprises (SMEs) and 9% are women or women-owned enterprises
- 57% provide technology or knowledge transfer

[6] With the adoption of the Environmental and Social Policy Statement (ESPS) in 2010, all OPIC-supported projects are required to have a HR policy and grievance mechanism in place for employees.

III. Environmental, Health, Safety & Social Impacts

Project Screening and Assessment

OPIC screens all potential projects to identify the risk of adverse environmental and social impacts and to identify project impacts that could preclude OPIC support. If a project is determined to be categorically ineligible,[7] OPIC immediately informs the applicant so as to avoid unnecessary effort or expense. If the project is eligible, OPIC categorizes the project to determine the requirements for documentation, disclosure, consultation, reporting and post-commitment monitoring. Projects may be categorized as A, B, C, or D depending on their potential risks and impacts.

Category A projects represent the greatest potential for adverse environmental and/or social impacts, whereas Category B projects are likely to have more limited adverse impacts, and Category C projects represent the least potential for adverse impact. Category D is reserved for certain projects involving financial intermediaries that make investments in or provide financing to other projects or enterprises ("Subprojects") engaged in activities within Categories A, B or C. OPIC screens, reviews, and provides prior written consent to Subprojects on the basis of potential environmental and social risks. As noted above, in this report, Subprojects of investment funds are counted as projects.

OPIC uses a rigorous methodology for assessing and calculating potential environmental and social impacts.

OPIC uses environmental and social assessment to evaluate the potential environmental and social impacts of an applicant's project and to identify means to improve the project by preventing, minimizing, remediating or compensating for potential adverse impacts as a condition of OPIC support. The process includes the following:

- identification of potential adverse environmental and social impacts;
- disclosure of the project's environmental and social impact assessment (ESIAs) for public review and comment (if the project has been screened as Category A);
- comparison of the project's performance in relation to internationally-accepted standards and alternative approaches;
- evaluation or design of mitigation measures; and
- evaluation or design of associated management and monitoring measures.

Five of the 86 projects that OPIC committed to support in FY14 were screened as Category A. Category A projects have the potential to have significant adverse environmental and/or social impacts that are sensitive, diverse or unprecedented in the absence of adequate mitigation measures. The FY14 Category A projects were:

- a gas-fired power plant in Nigeria;
- a wind power project in Kenya;
- two wind power projects in Mexico; and
- a hydropower project in Colombia.

For Category A projects, OPIC requires the preparation of a full environmental and social impact assessment (ESIA), which was subsequently disclosed to the public for comment (see next page).

7 Certain types of projects have potential adverse environmental or social impacts that preclude the project from receiving OPIC support. These categorically prohibited projects are listed in Appendix B of OPIC's Environmental and Social Policy Statement.

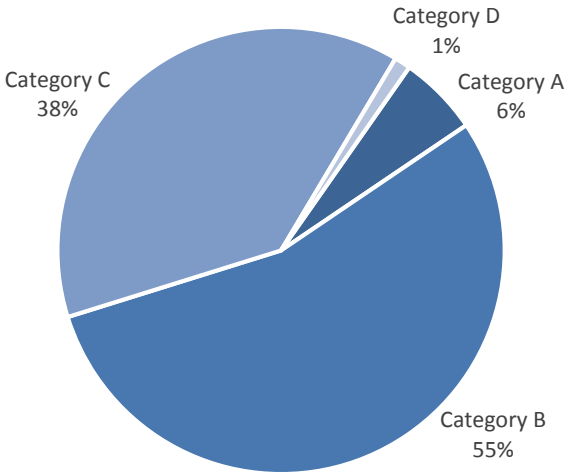
Forty-seven FY14 OPIC-supported projects were screened as Category B. Category B projects are likely to have environmental and/or social impacts that are few in number, generally site-specific, largely reversible and readily addressed through effective management systems.

Thirty-three FY14 projects were screened as Category C. Category C projects are likely to have minimal adverse environmental and/or social impacts.

One of the 86 projects was screened as Category D. As mentioned above, Category D is reserved for certain projects involving financial intermediaries that make investments in or provide financing to other projects or enterprises ("Subprojects") engaged in activities within Categories A, B or C. Subprojects are screened and subject to the full scope of OPIC's environmental and social assessment process including, but not limited to, public disclosure and consultation, Greenhouse Gas emission accounting, and conditions and monitoring requirements as warranted by the nature and scope of the Subproject. OPIC screens, reviews, and provides prior written consent to Subprojects on the basis of potential environmental and social risks.

Figure 6

Environmental and Social Categorization of FY14 Projects



OPIC's environmental experts conduct pre-approval site visits for Category A projects and potential projects with possible environmental and social sensitivities.

As part of OPIC's environmental and social assessment, OPIC environmental officers or consultants conduct on-site due diligence prior to commitment of OPIC support to any project screened as Category A. In addition, environmental officers periodically visit projects at the screening stage to determine categorical eligibility. In FY14, OPIC conducted pre-approval site visits to six Category A projects in five countries including:

- a gas-fired power plant in Nigeria;
- a wind power generation project in Kenya;
- a hydropower project in Colombia;
- two wind projects in Mexico; and
- an integrated poultry operation in Tanzania.

Project disclosure

OPIC publishes information on all Category A projects for public comment.

In FY14, consistent with OPIC policy, eight Category A projects under consideration for OPIC support were disclosed on OPIC's website for 60 days prior to action by the OPIC Board and announced via email to OPIC stakeholders, giving interested persons and organizations the opportunity to review the ESIAs and comment on the projects' potential environmental and social impacts. Full text versions of ESIAs were available for download directly from the OPIC website. Public comments were received in response to one of these ESIAs and responses were posted on OPIC's website. Four of these projects were committed in FY14.

Transactions rejected on environmental and/or social grounds

OPIC works diligently to ensure that its policies regarding environmental and social impact are well understood. OPIC counsels against projects that are potentially problematic from an environmental or social impact perspective before formal applications are submitted. As a result, OPIC did not reject any applications for finance or insurance in FY14 on environmental or social grounds.

Mitigating Climate Change

Since 2008, the aggregate, direct GHG emissions associated with OPIC supported projects in its active portfolio decreased by 44.52 million tons of CO2 equivalent (CO2e) from 51.95 million tons of CO_2e in 2008 to 7.43 million tons in FY14. This represents an 86% reduction in emissions.

OPIC has committed to: (a) reducing the direct greenhouse gas (GHG) emissions associated with projects in OPIC's active portfolio (using the direct GHG emissions of OPIC's active portfolio on June 30, 2008 as a baseline), (i) by 30% over a ten-year period and (ii) by 50% over a 15-year period; and (b) increasing investment support to renewable energy and energy efficiency projects. "Direct emissions" are the result of the combustion of fuel by OPIC-supported projects.

For the purpose of tracking progress in achieving its GHG reduction goals, OPIC procured the services of an outside environmental auditor to develop a baseline GHG inventory of OPIC-supported projects. The organizational boundary for the baseline inventory was defined as 100% of the direct emissions during the calendar year 2007 from all projects within OPIC's active portfolio as of June 30, 2008 (2008 baseline emissions). Accounting for 100% of project emissions is more conservative than the equity or operational control approach, which assume partial ownership of a project's greenhouse gas emissions. OPIC accounts for direct emissions because these emissions are verifiable and directly attributable to the project activity that is benefiting from OPIC's support.

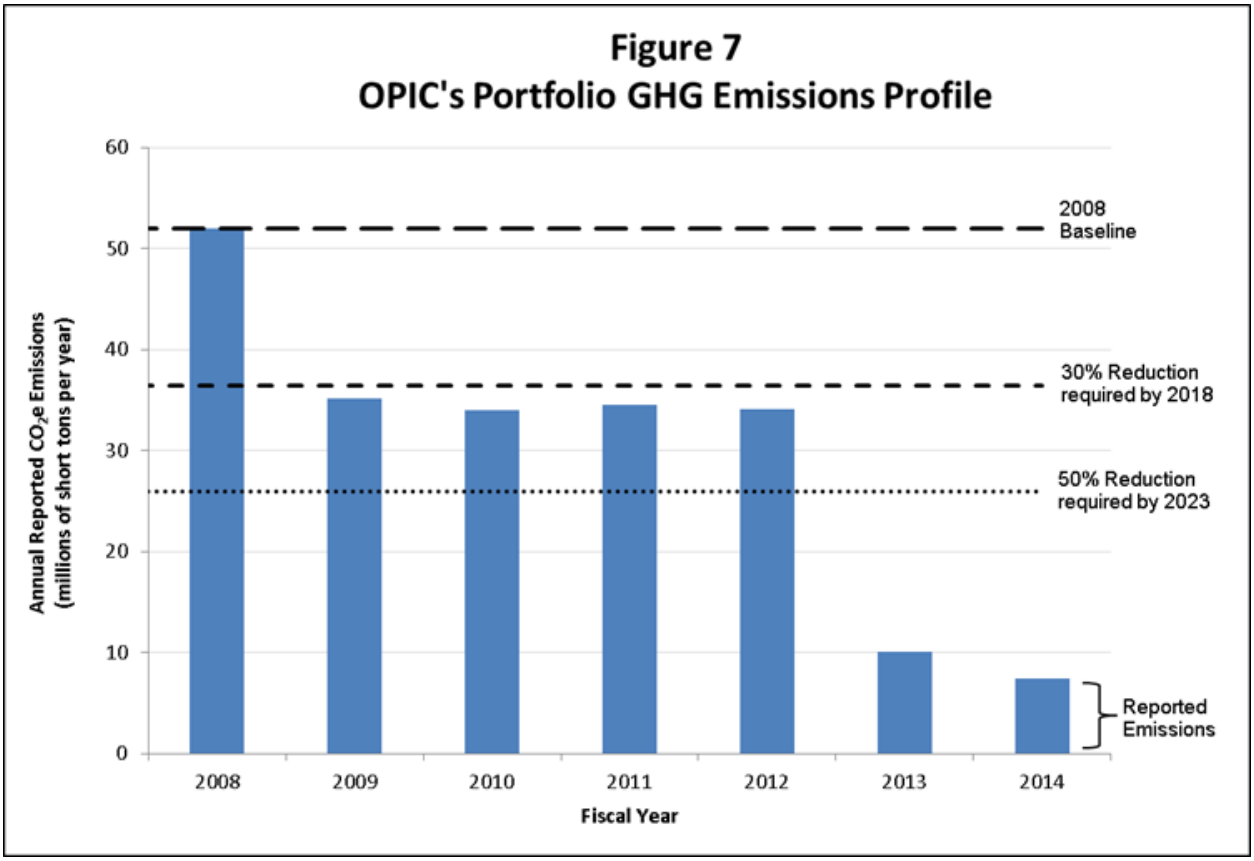
OPIC estimates greenhouse gas emissions from all projects that have "significant" direct emissions, defined as more than 25,000 tons per year (tpy) of CO_2 equivalent (CO_2e). The 25,000 tpy threshold was selected to be consistent with the U.S. Environmental Protection Agency's threshold criteria for significant GHG emissions.[8]

Baseline emissions in 2008 were estimated to be 51,949,179 tons of CO_2e.[9] Subsequent annual estimates are based on investor-provided data indicative of actual operating conditions and internationally recognized algorithms. A buffer is added to the total to account for GHG emissions from active projects in OPIC's portfolio that have emissions less than 25,000 tons of CO_2e. This buffer is calculated such that the buffer plus the estimated emissions for projects that emit between 25,000 and 100,000 tons of CO_2e is equal to five percent of estimated emissions for projects that emit over 100,000 tons.

The total inventory of GHG emissions during calendar year 2013 for projects active as of September 30, 2014 (FY14 emissions) was 7,427,755 tons of CO_2e. *This represents an 85.7% reduction* in portfolio emissions from the 2008 baseline. The large decrease in emissions relative to previous GHG inventories was primarily due to seven thermal power generation projects falling out of OPIC's portfolio during FY13, while only much smaller sources became active in the same time period. Figure 7 shows the development of OPIC's portfolio GHG emissions profile as compared to the 2008 portfolio emissions baseline and the 30% and 50% reduction targets. For a more complete explanation of OPIC's GHG policy and current inventory, please refer to Exhibit 6.

8 The U.S. Environmental Protection Agency's threshold criterion for significant GHG emissions is 25,000 metric tons. To maintain consistency with units, OPIC uses 25,000 short tons, which is conservative since 25,000 metric tons converted to short tons equals approximately 27,500 short tons.

9 OPIC revised baseline emissions based on new information reported by one of OPIC's project sponsors which had previously reported emissions based on its equity share (50%) rather than accounting for emissions for the entire project. Because OPIC accounts for 100% of emissions from projects regardless of equity share, the estimates for calendar years 2007 and 2008 were revised to reflect 100% of emissions.



Fiscal Year 2014 Reporting

As illustrated in the table below, OPIC reports no "Scope 1" emissions (resulting from the direct burning of fossil fuels) associated with its activities. OPIC reports "Scope 2" emissions (resulting from OPIC's electricity purchases at its office) totaling 1,132 short tons of CO_2e. The "Scope 3" emissions that OPIC reports for FY14 are those direct (i.e., Scope 1) GHG emissions for calendar year 2013 associated with projects in OPIC's active portfolio as of September 30, 2014, calculated according to the methodology mentioned above.

OPIC Fiscal Year 2014 CO_2e Emissions

SCOPE 1 EMISSIONS (Emissions from OPIC's direct combustion of fuel)	SCOPE 2 EMISSIONS (Emissions as a result of OPIC's Purchased Electricity)	SCOPE 3 EMISSIONS (Direct Emissions – i.e., Scope 1 emissions – from projects in OPIC's Active Portfolio)
0 tons CO_2e	1,132 tons CO_2e	7,427,755 tons CO_2e

On a transactional basis, OPIC considers reduction and control alternatives for all projects, including opportunities to enhance energy and operational efficiency; protect and enhance sinks and reservoirs of greenhouse gases, such as natural forests; and apply emerging technologies for capture, storage, and recovery of greenhouse gases.

IV. Labor and Human Rights

Country Eligibility

OPIC tracks country eligibility as part of its worker rights statutory obligations.

OPIC's Environmental and Social Policy Statement outlines OPIC's policies on country eligibility for OPIC-supported projects based on labor-related statutory obligations. To maintain consistency across the U.S. Government, where available OPIC follows the worker rights determinations made by the President of the United States for the purpose of the Generalized System of Preferences (GSP) program, a trade benefits program overseen by the Office of the U.S. Trade Representative (USTR) that also requires beneficiary countries to take steps towards Internationally Recognized Worker Rights. During FY14, no countries lost their GSP or OPIC benefits on worker rights grounds.

The USTR continued formal GSP country practice reviews of the following countries on worker rights grounds: Georgia, Niger, Uzbekistan, the Philippines, Iraq, and Fiji. USTR is also reviewing worker rights in Burma as part of a larger GSP eligibility review for that country. OPIC will adjust country eligibility status on the basis of USTR's final determination in these countries.

Project Screening and Assessment

OPIC implements policies consistent with its statutory requirements related to respect for human rights and the rights of workers. OPIC screens all potential projects to identify labor-related and human rights impacts to determine eligibility. If a potential project is not categorically prohibited, it undergoes a full labor review. None of the potential projects reviewed in FY14 were determined to be categorically prohibited on labor-related grounds[10], and two of the new FY14 projects were classified as "Special Consideration," a designation that requires additional oversight in the form of an independent audit and annual reporting for projects with a heightened potential for labor rights violations. The Special Consideration Projects are:

- a wind power project in Kenya due the geographical scale and complexity of managing a relatively large workforce in a labor-intensive industry in Kenya; and
- a palm oil project in Sierra Leone due to supply chain concerns regarding reports of the use of bonded and / or harmful child labor in the palm oil sector Sierra Leone.

OPIC uses a rigorous methodology to assess potential labor-related risks.

OPIC uses its labor assessment to evaluate the potential risks to workers at the project and to identify means to improve the project by preventing and minimizing such risks as a condition of OPIC support. The process includes the following:

- identification of potential risks to workers, including the project's potential to infringe upon internationally recognized worker rights;
- comparison of the project's expected performance in relation to internationally-accepted standards and practices;
- evaluation or design of project requirements necessary to enable OPIC support; and
- evaluation or design of associated management and monitoring measures.

All 86 new projects that were supported in FY14 were subject to a full worker rights review, and OPIC support was conditioned upon adherence to OPIC's worker rights requirements.

[10] Categorically prohibited projects have potential environmental or social impacts that preclude the project from receiving OPIC support. They are listed in Appendix B of the OPIC Environmental and Social Policy Statement, available on OPIC's website.

Human Rights

OPIC subjects every potential project to a human rights review process to ensure all OPIC-supported projects meet the statutory requirements of the Foreign Assistance Act. OPIC consults with the U.S. Department of State's Bureau for Democracy, Human Rights, and Labor (DRL) on this review to ensure consistency between OPIC and DRL regarding relevant human rights matters in OPIC eligible countries. OPIC did not decline support for any projects in FY14 as a result of the human rights review process. Table 2 shows a list of countries in which OPIC no longer operates due to LHR issues.

Table 2

Countries in which OPIC does not operates Due to Labor and /or Human Rights issues

Bangladesh	GSP status suspended as a result of workers' rights petitions,8/2013
Belarus	Lost GSP eligibility on workers' rights grounds, 9/11/2000
Qatar	Non – GSP, lost OPIC eligibility through direct petition, 1995
Saudi Arabia	Non – GSP, lost OPIC eligibility through direct petition, 1995
Sudan	Lost GSP eligibility on workers' rights grounds, 7/1/1991
Syria	GSP suspended due to workers' rights issues, 8/14/1992
UAE	Non – GSP, lost OPIC eligibility through direct petition, 1995
China	Non – GSP, lost OPIC eligibility on human rights grounds, 1990

V. SUPPORT FOR THE U.S. ECONOMY

FY14 projects are expected to support 409 U.S. jobs over the next five years. No FY14 project is expected to result in the loss of any U.S. jobs.

OPIC carefully screens potential projects for their effect on employment in the United States. OPIC does not support projects projected to harm the U.S. economy or result in the loss of U.S. jobs. Based on projected procurement of goods and services from the United States of $316 million over five years, new FY14 projects are expected to support 409 U.S. jobs. Renewable energy projects will support 78 percent of these jobs. Table 3 describes the projected U.S. Economic Benefits of New FY14 Projects.

Exhibits 1-3 of this report provide detailed information on OPIC-supported projects and their impact on the U.S. economy.

Thirteen of the new projects are expected to have a positive impact on U.S. jobs and 73 are expected to have a neutral impact. None are expected to have a negative impact on U.S. jobs.

Exhibit 4 provides a detailed description of the methodology used to calculate U.S. employment effects.

Table 3

Projected U.S. Economic Benefits of New FY14 Projects

Total project investment*	$6.8 billion
U.S. investment in projects*	$3.6 billion
U.S. percent of total	53%
U.S. exports*	$316 million
Initial procurement	$266 million
Operational procurement*	$50 million
U.S. jobs supported*	409

* Total amount over a 5-year period

U.S. small businesses were significant partners in more than half of new OPIC-supported projects in FY14.

OPIC recognizes the importance of small businesses as a key driver of U.S. economic growth and actively partners with these firms to enable their expansion into developing markets.

Over the last five years, OPIC has committed $5.6 billion in finance and insurance to more than 348 new projects with significant involvement of U.S. small businesses.

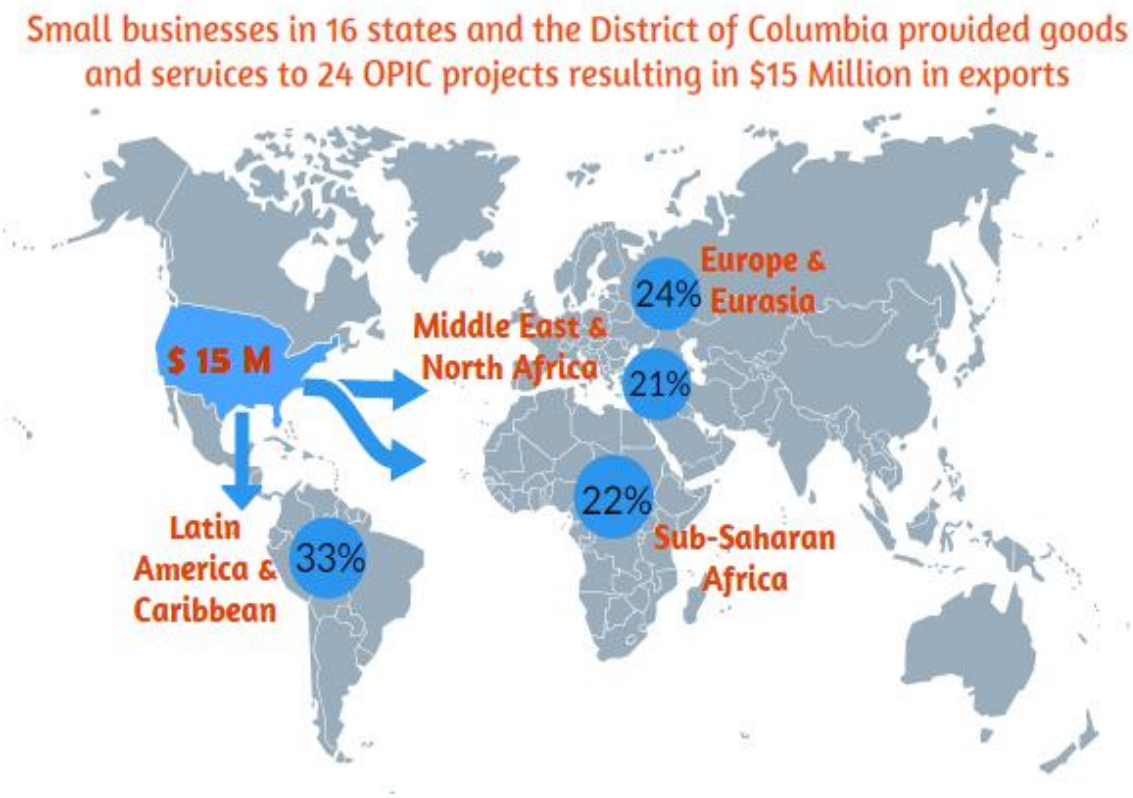
OPIC's efforts to reach out to U.S. small businesses continued to yield positive results in FY14. OPIC supported 46 new projects that involved U.S. small businesses, representing more than half of all new FY14 projects:

- 21 U.S. small businesses received OPIC investment guarantees directly or through investment funds or financial intermediaries;
- 22 U.S. small businesses received direct loans from OPIC; and
- 3 U.S. small businesses received OPIC political risk insurance coverage.

In addition to financing and insurance received from OPIC, U.S. small businesses also benefit through procurement. New FY14 projects are expected to procure $15 million over the next five years from 24 small businesses located in 16 states and the District of Columbia.

OPIC also committed to providing approximately $115 million in financing and insurance to women-and/or minority-owned U.S. businesses in connection with four new FY14 projects.

OPIC's direct procurement of goods and services from women- and minority-owned businesses amounted to $656,000, which represents nearly 5% of the total amount of OPIC direct procurement in FY14.



VI. Monitoring of Active Projects

OPIC actively monitors projects in its portfolio by site monitoring selected projects and by requiring annual Self-Monitoring Questionnaires (SMQ) from OPIC-supported projects. The results of OPIC's SMQ reporting were presented in Section II. This section discusses OPIC's site monitoring and reports findings related to projects' development impact and their compliance with policy covenants.[11]

Site-Monitoring

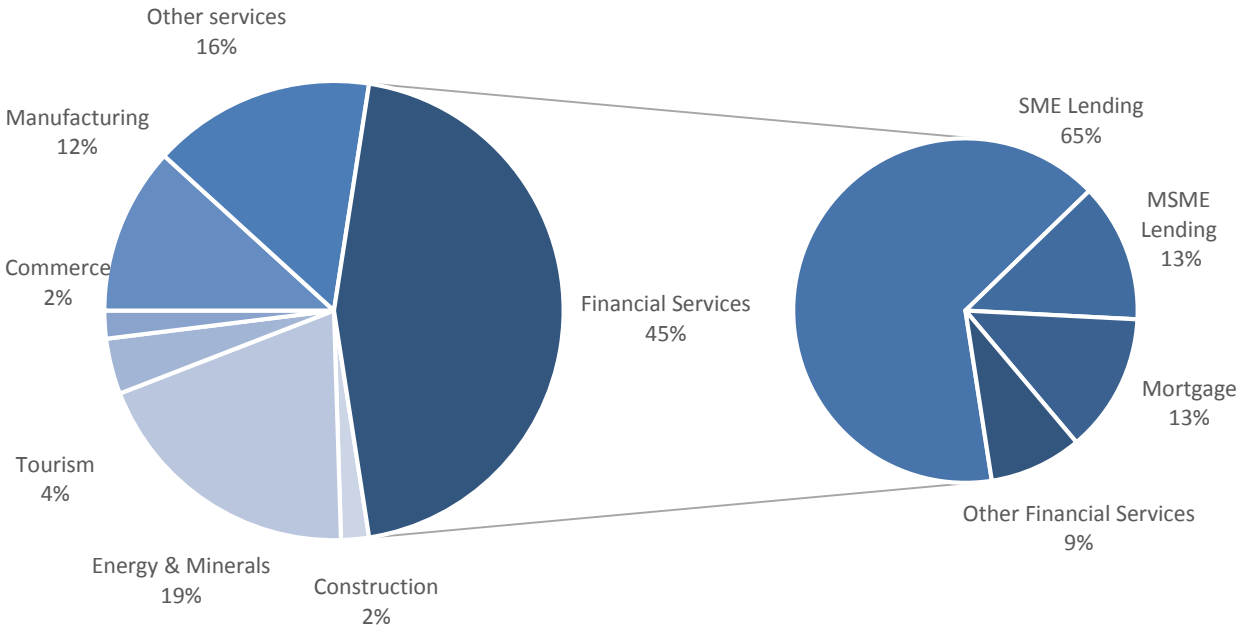
Site monitoring allows OPIC staff to ensure compliance with policy covenants and to better understand why a project succeeds or struggles. Yet its value extends beyond these functions. Through gathering, analyzing, and verifying information about its projects, OPIC continually seeks to improve its development impact methodology, policy compliance practices, and investment strategy, which help improve outcomes for U.S. investors and host country economies.

Projects that are site-monitored include projects randomly selected from OPIC's active portfolio as well as those designated as sensitive given their potential impact on the U.S. economy, labor rights, human rights, the environment, or local communities. Projects in countries with a particularly challenging security environment may be challenging for OPIC to site monitor. For projects in these countries, OPIC monitors them using alternative methods, including desk reviews, self-monitoring questionnaires, or by employing third party contractors to monitor the project.

In FY14, OPIC site-monitored 51 projects.[12] (see Exhibit 8 for a full list of projects monitored and location). Figures below provide a breakdown of the sectors, products, and locations of these projects.

Figure 8

FY14 Site Monitoring by Sector



11 This section refers only to site monitoring of development impact and compliance with OPIC's investment policy requirements. The financial performance of loans and guaranties is monitored separately.

12 The set of issues OPIC staff examine during site monitoring varies from project to project. In some cases, a team of OPIC analysts may review the entire gamut of policy and development impact issues. In cases where there is a specific policy issue that OPIC needs to monitor, the OPIC team may focus on that issue without full analysis of other issues. For more detail on OPIC's site monitoring methodology, see Exhibit 7.

Nearly half of the projects monitored in FY14 were in the financial services sector, with a majority supporting micro, small, and medium enterprises. Three-quarters of total projects monitored in FY14 received OPIC investment guarantees.

Figure 9

FY14 Site Monitoring by product

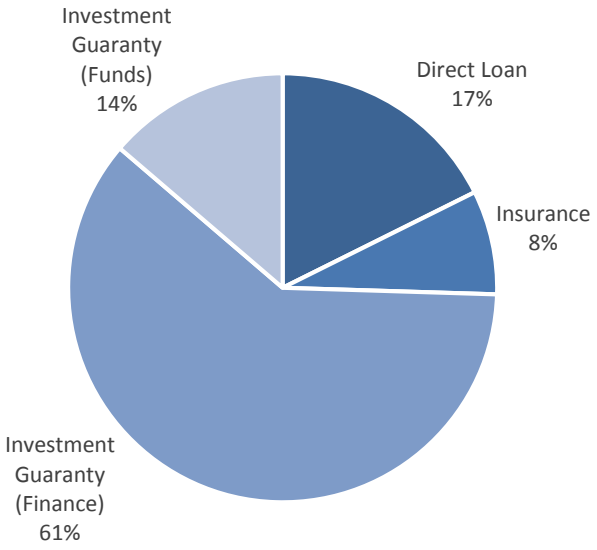
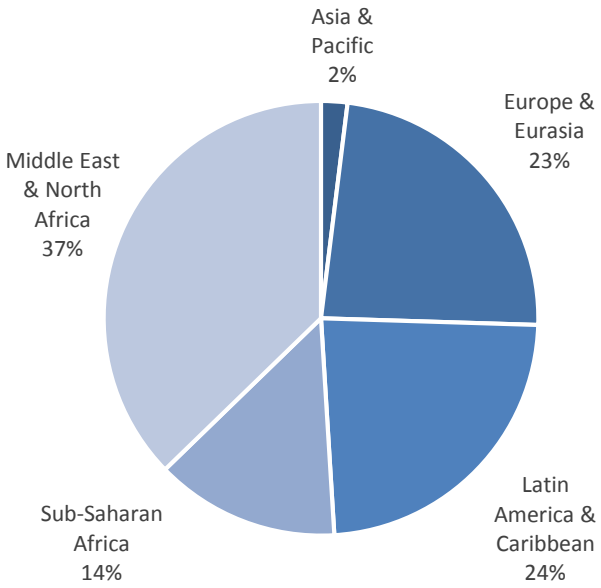


Figure 10

FY14 Site Monitoring by Region



Compliance with OPIC Conditions and Covenants

Ensuring compliance with OPIC policy conditions and covenants is a critical aspect of OPIC's monitoring programs. The following describes the compliance-related findings of OPIC's FY14 site monitoring.

- **U.S. economic effects**: In FY14 all 29 projects monitored by the Economic Impact Analysis Group were found to be in compliance with OPIC conditions and covenants related to ensuring no harm to the U.S. economy and no loss of U.S. jobs.

- **Environment and social impact**: In FY14, environmental and social monitoring focused on 27 projects with the greatest environmental and social risks. In FY14, 81% of the site visits involved Category A and B projects. Five projects were classified as Category C.

    - During site monitoring, 22 of 27 projects were found to be in full compliance with all OPIC covenants and conditions pertaining to environmental and social considerations.

    - Of the five site-monitored projects that were not fully in compliance with OPIC covenants related to environmental and social impacts, common noncompliance issues were related to site housekeeping (e.g., failure to securely store waste materials or petroleum products, or trip and fall hazards), the lack of use of personal protection gear (e.g., hardhats, safety boots, respirators, hearing protection), and worker housing or worker safety. In each of these cases, OPIC's environmental and social impact group informed the project sponsor of the deficiency and required implementation of corrective actions, and OPIC is actively working with the project sponsors to improve these issues.

- **Labor and human rights**: In FY14, labor and human rights monitoring focused on 27 projects with the potential for greatest labor risk.

- During site monitoring, 25 of 27 projects were found to be fully in compliance with all OPIC covenants regarding labor conditions.

- Of the two site-monitored projects that were not fully in compliance with OPIC covenants or the IFC Performance Standards related to labor and working conditions, compliance issues related to employment contracts, management systems, and labor relations. In each of these cases, OPIC's labor and human rights group informed the project sponsor of the deficiency and required implementation of corrective actions to bring the project into compliance.

OPIC also requires self-reporting of policy compliance by clients in the SMQ. SMQ responses can provide early warnings about potential issues that may emerge in OPIC supported projects.

- 99% of SMQ respondents reported compliance with conditions imposed by OPIC related to environment, health and workers' safety. Two projects reported that they were not compliant with OPIC conditions related to environment, health and workers' safety. Both projects submitted information describing the steps they are taking to remedy the non-compliance, and OPIC is monitoring them on an ongoing basis.

- 100% of SMQ respondents reported compliance with local or host country environmental, health, and safety laws.

VII. Client Satisfaction Survey Results

In 2013, OPIC began collecting client satisfaction data through a voluntary survey clients have the option to complete upon submission of their SMQ. While the response rate is too low to consider the results representative of all OPIC clients, 85 percent of respondents reported overall satisfaction in working with OPIC and 87 percent report that they would likely work with OPIC again.

The survey contains eight questions that ask clients to rate their satisfaction with OPIC in the following areas:

- Overall Satisfaction of Working with OPIC
- Helpfulness
- Professionalism
- Timely Response to Questions
- Clarity of Communications
- Understanding of Business Needs
- Reasonable Decision Time
- Likelihood of Working with OPIC Again

Of the 334 SMQ respondents, 46 chose to complete the survey in FY13, and their responses therefore cannot be considered representative of all OPIC clients. Table 4 below provides the percentage of respondents who reported they were satisfied with OPIC in each area.

Table 4

OPIC Client Satisfaction Survey Results

Overall Satisfaction	**85%**
Helpfulness	89%
Professionalism	89%
Timely Response	85%
Clarity	87%
Business Needs	81%
Decision Time	80%
Likelihood of Working with OPIC Again	87%

VIII. EXHIBITS. METHODOLOGIES, PROJECTIONS AND OTHER DATA

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Exhibit 1: U.S. Employment and Associated Effects of OPIC-Supported Projects

Fiscal Year 2014 (Projections)

(All Dollar Figures are in Thousands)

Industry Sector	Number of Projects	Final Destination of Project Output 1/			U.S. Procurement 2/	Effect on U.S. Employment 2/			Effect on U.S. Trade Balance 2/
		Host Country	U.S.	3rd Country		Initial	Operating	Total	
A. Projects with Positive Effects on Employment 3/									
Minerals & Energy 4/	6	$231,130	$0	$0	$237,339	281	21	302	$237,339
Manufacturing	0	$0	$0	$0	$0	0	0	0	$0
Services	7	$418,345	$0	$0	$70,219	45	54	99	$70,219
Positive Total	**13**	**$649,475**	**$0**	**$0**	**$307,558**	**326**	**75**	**401**	**$307,558**
B. Projects with Neutral Effects on Employment 5/									
Agribusiness	3	$2,600	$0	$7,547	$3,2977	0	0	0	$3,297
Minerals & Energy5/	10	$555,376	$0	$0	$2,013	3	0	3	$2,013
Manufacturing	8	$76,800	$6,932	$9,533	$1,400	2	0	2	($33,262)
Services	52	$401,403	$0	$6,008	$1,666	2	1	3	$1,666
Neutral Total	**73**	**$1,036,179**	**$6,932**	**$23,088**	**$8,377**	**7**	**1**	**8**	**($26,286)**
C. Projects with Negative Effects on Employment 6/									
Negative Total	**0**	**$0**	**$0**	**$0**	**$0**	**0**	**0**	**0**	**$0**
FY Total	**86**	**$1,685,654**	**$6,933**	**$23,088**	**$315,935**	**332**	**76**	**409**	**$281,272**

* Foreign Assistance Act of 1961 (P.L. 87-195), Sec. 240A (2) (b)

1/ Average annual effect during first 5 years of project operation.
2/ Total effect during first 5 years of project operation
3/ Projects with a U.S. employment effect of more than two jobs (10 person years or more of employment during the first 5 years of project operation).
4/ 100% percent of the energy projects OPIC committed to in FY14 were renewable energy projects
5/ Projects with a U.S. employment effect of 2 or fewer jobs (10 person years or less of employment during the first 5 years of project operation).
6/ There were no projects supported in FY14 that projected the loss of any U.S. employment.

Exhibit 2: Destination of Sales to Third Party[1/] Markets of OPIC-Supported Projects Fiscal Year 2014 (Projections)

PROJECTS WITH NEUTRAL EFFECTS ON U.S. EMPLOYMENT [2/]

Sector	Destination		Annual Sales ($)
Agribusiness			
	Belgium		$270,000
	Europe Regional		$6,266,924
	People Republic of China		$1,010,000
		Sector Total	$7,546,924
Manufacturing			
	Europe Regional		$1,344,928
	Germany		$500,000
	El Salvador		$1,000,000
	Guatemala		$6,000,000
	Worldwide		$688,000
		Sector Total	$9,532,928
Services			
	Europe Regional		$182,400
	Kyrgyz Republic		$625,000
	Middle East Regional		$303,750
	Tajikistan		$125,000
	Worldwide		$4,771,699
		Sector Total	$6,007,849
	TOTAL SALES FOR PROJECTS WITH NEUTRAL U.S. EFFECTS		$23,087,701
		Fiscal Year TOTAL	$23,087,701

* Foreign Assistance Act of 1961 (P.L. 87-195), Sec. 240A (2) (A)

1/ "Third party" refers to countries that are neither the U.S. nor the host country.

2/ The 86 OPIC-supported projects in FY14 were projected to have neutral effect on U.S. employment as defined by U.S. employment effect of 2 or fewer jobs (10 person years or less of employment during the first 5 years of project operation). There were no projects supported in FY14 projected to result in the loss of any U.S. jobs

Exhibit 3: U.S. Employment Effects and Host Country Location of OPIC-Supported Projects Fiscal Year 2014 (Projections)

In FY14, OPIC supported 86 new projects in 39 countries and 5 regions around the world.

Of those 86 projects, 13 had a positive impact on U.S. jobs: [1/]

- 6 in minerals & energy: Chile, Israel, Jamaica, Mexico and Pakistan
- 7 in the services sector: Angola, Brazil, Colombia, Costa Rica, Kyrgyz Republic, Pakistan and Russia

Of those 86 projects, 73 had a neutral impact on U.S. jobs: [2/]

- 3 in the agricultural sector: Afghanistan, Morocco and Senegal
- 10 in the minerals & energy sector: Chile, Colombia, India, Jamaica, Jordan, Kenya, Nigeria, Pakistan and Peru
- 8 in manufacturing: Brazil, Bulgaria, Czech Republic, Cote d'Ivoire, Georgia, Honduras, Romania and Sierra Leone
- 52 in the service sector: Africa Regional, All OPIC eligible countries, Azerbaijan, Brazil, Bulgaria, Costa Rica, Czech Republic, Europe Regional, Georgia, Ghana, India, Iraq, Jordan, Kazakhstan, Malawi, Mexico, Moldova, Morocco, Nigeria, Panama, Peru, Poland, Romania, Turkey, South Africa, West Bank, Zambia and Zimbabwe
    - Of these 52 projects, 31 were financial services, 7 pertained to construction, one pertains to communication, 2 with tourism and 11 with other services.

Regional breakdown:

- 20 in Sub-Saharan Africa (one with positive U.S. job impacts and 19 with neutral U.S. job impacts)
- 18 in Europe & Eurasia (2 with positive U.S. job impacts and 16 with neutral U.S. job impacts)
- 22 in Latin America & Caribbean (7 with positive U.S. job impacts and 15 with neutral U.S. job impacts)
- 10 in Asia & Pacific (2 with positive U.S. job impacts and 8 with neutral U.S. job impacts)
- 12 in Middle East and North Africa (One with positive U.S. job impacts and 11 with neutral U.S. job impacts)
- 4 in multiple regions (4 with neutral U.S. job impacts)

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* Foreign Assistance Act of 1961 (P.L. 87-195), Sec. 240A (3) (C)

1/ Projects with a U.S. employment effect of more than 2 jobs (10 person years or more of employment during the first 5 years of operations).

2/ Projects with a U.S. employment effect of two or fewer jobs (10 person years or less of employment during the first resulted in the loss of any U.S. jobs. The majority of projects were in the services sector. No projects that OPIC supported in FY14 resulted in the loss of any U.S. jobs.

Exhibit 4: Methodology for Calculating U.S. Employment Effects[13]

Each project seeking OPIC support is individually reviewed to estimate the potential impact on employment in the United States. OPIC uses procurement estimates provided by the investor to calculate expected initial and operational procurement from the United States by value and specific type of good or service. The U.S. employment generated by a project's projected initial and five-year operational procurement of goods and services is then estimated by considering the *direct and indirect* employment necessary to produce those goods and services. That is, the employment effects incorporate the direct employment necessary to produce the procured goods and services, as well as the indirect employment required for the production of the associated intermediate inputs.

OPIC details each type of U.S. good or service expected to be procured for each project and, using industry-specific data from the U.S. Bureau of Labor Statistics (BLS), OPIC calculates the employment effect in that industrial sector as well as in the sectors that supply necessary components or inputs. By using this standard employment effect methodology, OPIC is able to ascertain employment generation with greater precision than if it used an average for all U.S. exports. By including indirect effects, OPIC's employment figures present a more accurate picture of the benefits accruing to U.S. workers from the projected procurement of goods and services by OPIC-supported projects. Finally, to confirm employment effect estimates, OPIC monitors *actual* economic effects after project start-up and throughout the life of the OPIC's involvement with the project. OPIC's monitoring is described in further detail in the Monitoring section of this report.

[13] These data are not always able to distinguish between newly created jobs and those that are maintained; full-time, part-time and seasonal jobs are treated the same. There is also a lag in updated data from BLS and some industries are difficult to classify into NAICS codes.

Exhibit 5: OPIC's Development Matrix

OPIC supports projects that are expected to serve as foundations for long-term economic growth, especially those that improve upon the host country's physical and financial infrastructure, and provide the basic human necessities of shelter, food, water and health care. Since its inception in 1971, OPIC has collected direct and indirect developmental impact data for each of its projects. In 2004, OPIC implemented a development impact assessment tool – the Developmental Impact Matrix – enabling OPIC to compare projects across the portfolio and over time. A new model was developed in 2007 that was specifically tailored to assess the development impacts of financial intermediary projects. These matrices incorporated between 27 and 34 developmental indicators that were used to evaluate and score every proposed project.

In October 2012, OPIC revised its Development Impact Matrices with the goal of simplifying the indicators for more accurate and relevant data collection. The new matrices are also more harmonized with the developmental impact assessment tools used by other development finance institutions. As before, OPIC has two matrices—one tailored for financial services projects and the other for all other projects. Both matrices are comprised of the following five broad categories that measure a project's developmental impact, regardless of the project's industry sector or the host country's level of development:

- Development Reach, which measures a project's impact on basic infrastructure and/or its potential benefits to the poor and other underserved populations. For projects involving financial services, this factor measures the extent to which underdeveloped areas or underserved, poor populations will be targeted by the financial institution.

- Environmental and Community Benefits, which assesses a project's improvement of the environment and philanthropic activities that benefit the local community.

- Job Creation and Human Capacity Building, which includes the number of new jobs to be created as well as training and employee benefits that go beyond local law.

- Host Country Macroeconomic or Financial Benefits, which measures local procurement and fiscal and foreign exchange impacts. For projects involving financial services, this factor measures the amount of funds to be disbursed, as well as the impact on micro, small, and medium-sized enterprises, entrepreneurship, and home ownership.

- Demonstration Effects, which includes technology and knowledge transfer, technical assistance to suppliers or borrowers, the introduction of new products (including financial products), the project's impact on regulatory and legal reform, and the adoption of internationally-recognized quality or performance standards.

Every proposed project is evaluated and scored based on a scale of 1 to 100. A project must score at least 25 points on the matrix to be considered *developmental* and clearly eligible for OPIC support. A score of over 60 qualifies a project as *highly developmental.*

In 2012, OPIC became a signatory to a Memorandum of Understanding with 25 partnering development finance institutions (DFIs) to harmonize developmental impact metrics where possible. The goal of this effort is to reduce the burden on clients that seek financing from multiple DFIs and to instill best practices in the collection and the reporting on OPIC's developmental impacts. As a result of this effort, OPIC is in the process of revising several of its existing indicators to the harmonized language and adopting new sector-specific indicators that will enable OPIC to better measure its developmental impact in these sectors.

Exhibit 6: OPIC's Greenhouse Gas Policy and Current Inventory

OPIC estimates the GHG emissions for all projects that have the potential to emit (PTE) more than 25,000 tons per year (tpy) of CO_2e equivalent. These projects are divided into three tiers. Tier A projects are fossil fuel-fired power generation projects that emit more than 100,000 tpy of CO_2e. Tier B projects are projects in the oil & gas, mining, transportation, manufacturing, construction, or other sectors which have a PTE of more than 100,000 tpy CO_2e. Tier C projects are those projects that have a PTE of less than 100,000 tpy CO_2e, but more than 25,000 tpy CO_2e. Annual independent GHG audit reports for projects that are expected to emit more than 25,000 tons of CO_2e are available at www.opic.gov.

In order to account for GHG emissions from active projects in OPIC's portfolio that emit less than 25,000 tons of CO_2e, OPIC incorporates a buffer into its estimate for total emissions from active OPIC projects. The sum of Tier C emissions and the buffer equals 5% of the total emissions from OPIC projects emitting more than 100,000 short tons of CO_2e per year[14]. In the FY14 inventory (i.e., emissions during calendar year 2013 from projects in OPIC's active portfolio as of 9/30/2014), Tier C emissions and the buffer for additional sources amounted to 2.1 and 2.9 percent respectively. This methodology to account for such sources is consistent with the GHG accounting methodology of The Climate Registry.[15]

OPIC calculates GHG emissions from projects in its active portfolio using methodologies and algorithms that rely on activity data such as fuel consumption or gas/oil throughput. In most cases, OPIC uses methodologies approved by The Climate Registry. For emissions from sources without Registry-approved methodologies, OPIC uses emission estimate methodologies provided by the U.S. Environmental Protection Agency.

Following the completion of an independent GHG audit of the FY14 emissions, OPIC provided investors the opportunity to comment on the Independent Auditor's estimates, activity data, and methodology. The following table contains the final auditor estimates after consideration of investor input.

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[14] Prior to the FY10 GHG analysis, OPIC estimated emissions from projects that had the potential to emit more than 100,000 tons per year (tpy) of CO_2e (i.e., Tier A and Tier B projects). To account for GHG emissions from projects in OPIC's portfolio that were estimated to have generated less than 100,000 tpy of CO_2e, OPIC added a 5% buffer to the estimated total emissions from projects emitting more than 100,000 tpy of CO_2e. Starting with the FY11 GHG analysis, OPIC lowered the minimum reporting threshold to include projects that emit between 25,000 and 100,000 tpy CO_2e (i.e., Tier C projects). To maintain a consistent methodology, since FY10, the buffer has been reduced such that the buffer plus the Tier C emissions equals 5% of the total emissions from OPIC projects emitting more than 100,000 tpy of CO_2e.

[15] THE CLIMATE REGISTRY is a nonprofit collaboration among North American states, provinces, territories, and Native Sovereign Nations that sets consistent and transparent standards to calculate, verify and publicly report greenhouse gas emissions into a single registry. The Registry supports both voluntary and mandatory reporting programs and provides comprehensive, accurate data to reduce greenhouse gas emissions. The 5% value is from The Climate Registry's General Reporting Protocol, Version 1.1, May 2008, p. 58. Available online at: http://www.theclimateregistry.org/downloads/GRP.pdf.

OPIC GHG Emissions Inventory Estimate by Project

Tier A Project Emissions (Short Tons CO_2e)

Project Name	Location	Maximum PTE [1]	FY08 CY2007 Emissions Baseline	FY09 CY2008 Emissions	FY10 CY2009 Emissions	FY11 CY2010 Emissions	FY12 CY2011 Emissions	FY13 CY2012 Emissions	FY14 CY2013 Emissions
Adapazari Elektrik Uretim	Turkey	2,706,499	2,106,754	2,106,754	2,441,657	2,426,053	2,309,241	Not Active	Not Active
AES Jordan [2]	Jordan	1,545,173	N/A	590,940	1,318,130	1,434,569	1,184,010	936,400	1,514,054
AES Nigeria	Nigeria	1,603,307	1,166,398	1,341,157	988,271	949,754	949,754	949,754	Not Active
Contour Global - Togo	Togo	587,305	Not Active	Not Active	Not Active	Below Threshold	46,561	130,773	161,830
Doga Enerji	Turkey	816,057	740,762	740,762	672,014	655,981	Not Active	Not Active	Not Active
Gaza Private Generating PLC	Gaza	481,485	293,804	303,535	325,926	228,627	405,262	Below Threshold	161,215
Gebze Elektrik Uretim	Turkey	5,412,998	4,121,923	4,121,923	4,794,979	4,833,330	4,535,511	Not Active	Not Active
Grenada Electricity Services (WRB)	Grenada	105,715	114,571	121,156	141,127	135,237	134,371	131,206	130,221
Habibullah Coastal Power	Pakistan	487,658	447,880	447,880	Not Active	Not Active	Not Active	Not Active	Not Active
Isagen SA	Columbia	687,835	203,010	Below Threshold	300,706	305,181	305,181	305,181	775,357
Izmir Elektrik Uretim	Turkey	5,412,998	4,694,380	4,694,380	4,300,376	4,739,787	4,824,511	Not Active	Not Active
Jorf Lasfar Energy	Morocco	14,268,496	14,268,496	Not Active	Not Active	Not Active	Not Active	Not Active	Not Active
NEPC Consortium Power	Bangladesh	383,159	245,795	343,581	255,734	297,068	297,068	Not Active	Not Active
Paiton Energy	Indonesia	7,938,380	9,553,044	9,553,044	9,624,125	9,854,076	10,045,869	Not Active	Not Active
Pakistan Water & Power Authority [3]	Pakistan	522,490	522,490	522,490	283,937	283,937	Not Active	Not Active	Not Active
Termovalle SCA [4]	Colombia	714,070	Below Threshold	Below Threshold	223,983	223,983	Below Threshold	Not Active	Not Active
Trakya Elektrik Uretim	Turkey	1,818,912	1,747,956	Not Active	Not Active	Not Active	Not Active	Not Active	Not Active

[1] Maximum potential to emit (PTE) was calculated on the basis of a projects maximum operating capacity. When maximum operating capacity could not be determined, the maximum PTE was set equal to the highest annual emission level assessed in this or prior OPIC GHG inventories.

[2] Sharp emission increase due to ramped-up energy production from 10,103,603 in 2008 to 22,536,748 MMBtu in 2009.

[3] 2009 emissions are significantly lower due to fewer reported operating hours.

[4] 2009 emissions are significantly higher due to increased reported operating hours

Tier B Project Emissions (Short Tons CO_2e)

Project Name	Location	Maximum PTE [1]	FY08 CY2007 Emissions Baseline	FY09 CY2008 Emissions	FY10 CY2009 Emissions	FY11 CY2010 Emissions	FY12 CY2011 Emissions	FY13 CY2012 Emissions	FY14 CY2012 Emissions
Accroven SRL	Venezuela	998,677	998,677	445,832	Not Active	Not Active	Not Active	Not Active	Not Active
Baku-Tblisi-Ceyhan Pipeline	Azerbaijan	699,034	707,672	707,672	787,577	723,214	671,605	584,200	Not Active
E.P. Interoil [5]	Papua New Guinea	802,469	392,296	103,247	79,709	75,928	74,985	Not Active	Not Active
Equate Petrochemical	Kuwait	720,573	720,573	680,311	Not Active	Not Active	Not Active	Not Active	Not Active
Foxtrot International [2]	Cote d'Ivoire	270,804	104,484	104,484	104,484	Below Threshold	27,746	Not Active	Not Active
Lukoil RPK Vysotsk [3] [5]	Russia	107,184	70,767	70,767	76,339	97,117	91,143	92,696	95,070
Natural Gas Liquids II Financing	Nigeria	390,806	244,048	244,048	Not Active	Not Active	Not Active	Not Active	Not Active
Pannonia Ethanol	Hungary	110,543	Not Active	Not Active	Not Active	Not Active	Not Active	64,244	93,251
Various Egypt Subsidiaries (Apache) [4]	Egypt	2,429,543	3,071,932	3,244,189	3,294,654	3,465,842	4,438,554	4,178,447	4,056,437
West Africa Gas Pipeline [5]	Ghana	244,728	Not Active	Not Active	244,728	91,451	86,617	86,617	86,617
Wilpro Energy Services (El Furrial)	Venezuela	289,106	289,106	289,106	Not Active	Not Active	Not Active	Not Active	Not Active
Wilpro Energy Services (Pigap)	Venezuela	507,923	571,090	571,090	Not Active	Not Active	Not Active	Not Active	Not Active

[1] Maximum PTE was calculated on the basis of a projects maximum operating capacity. When maximum operating capacity could not be determined, the maximum PTE was set equal to the highest annual emission level assessed in this or prior OPIC GHG inventories.

[2] In 2010, Foxtrot operated for a minimal period of time and thus had corresponding GHG emissions below the established threshold.

[3] Lukoil has the Potential-to-Emit over 100,000 tons CO_2e annually, although emissions have been reported below this level to date.

[4] In 2007 and 2008, Apache reported their emissions in relation to their equity share of the project (49%). OPIC accounts 100% of a project's emissions regardless of equity share. As a result, emissions data for 2007 and 2008 will more than double in comparison to the project sponsor reported data in order to calibrate the inventory according to OPIC standards.

[5] In some years, project emissions have been estimated to be less than 100,000 short tons but the project has the Potential-to-Emit greater than 100,000 short tons annually.

Tier C Project Emissions (Short Tons CO_2e)

Project Name	Location	Maximum PTE [1]	FY10 CY2009 Emissions	FY11 CY2010 Emissions	FY12 CY2011 Emissions	FY13 CY2012 Emissions	FY14 CY2013 Emissions
CGLOB Astarta Zhadanivka Kyiv LLC	Ukraine	38,404	Not Active	Not Active	Below Threshold	36,886	38,404
Citadel - Glenview Investment Holdings	Egypt	46,707	Not Active	Not Active	Not Active	46,707	45,358
Dominica Electric Services	Dominican Republic	50,084	50,084	50,084	50,084	Not Active	Not Active
Jose Lindley	Peru	25,000	25,000	25,000	Not Active	Not Active	Not Active
Joshi Technologies / Parko Services	Colombia	73,685	30,398	57,826	43,564	52,894	73,685

[1] Maximum PTE was calculated on the basis of a projects maximum operating capacity. When maximum operating capacity could not be determined, the maximum PTE was set equal to the highest annual emission level assessed in this or prior OPIC GHG inventories.

Summary of OPIC Portfolio Emissions (Short Tons CO_2e)

Inventory Item	FY2008 CY2007 Emissions Baseline	FY2009 CY2008 Emissions	FY2010 CY2009 Emissions	FY2011 CY2010 Emissions	FY2012 CY2011 Emissions	FY2013 CY2012 Emissions	FY2014 CY2013 Emissions
Tier A	40,227,263	24,887,602	25,670,965	26,367,582	25,037,339	2,453,314	2,742,677
Tier B	7,170,645	6,460,746	4,587,491	4,453,552	5,390,650	5,006,203	4,331,375
Tier C	-	-	105,482	132,910	93,648	136,486	157,448
Tier A, B, C Subtotal	47,397,908	31,348,348	30,363,938	30,954,044	30,521,637	7,596,003	7,231,500
Latin America Power III Fund [1]	2,077,500	2,077,500	2,077,500	2,077,500	2,077,500	2,077,500	-
5% Buffer for Additional Sources [2]	2,473,770	1,671,292	-	-	-	-	-
Buffer for Additional Sources [3]	-	-	1,511,316	1,512,022	1,531,626	340,365	196,255
TOTAL:	**51,949,178**	**35,097,140**	**33,952,754**	**34,543,566**	**34,130,763**	**10,013,868**	**7,427,755**

[1] Per agreement between Latin American Power III and OPIC, the Fund agreed to "not make an investment in a Portfolio Company if after such investment, the assets and operations of all Portfolio Companies then held by the Fund would emit (in the aggregate and on a calendar year basis) in excess of 2,077,500 short tons CO_2e as calculated in accordance with the IPCC". In FY 2014, OPIC determined that the Fund would not invest in any power-generating projects, therefore, the allocation for the Latin American Power III Fund was removed for the 2013 inventory.

[2] The buffer was originally set as five percent of the sum of Tier A and Tier B emissions

[3] Since 2009, the buffer is set so that the sum of Tier C emissions and the buffer equal five percent of the sum of Tier A and Tier B emissions.

Exhibit 7: OPIC Site Monitoring Methodology

Environment, U.S. Economic Impact, Labor, and Host Country Developmental Impact

OPIC performs comprehensive and integrated monitoring to evaluate the U.S. and host-country economic effects as well as the environmental, social, health and safety, and general working conditions of the projects it supports. OPIC's integrated project monitoring is designed to ensure that each project complies with statutory and contractual requirements in these areas. Project monitoring consists of site visits to projects, in addition to analysis of information submitted annually by investors in the form of an online Self-Monitoring Questionnaire (SMQ). Since 1993, OPIC has required SMQs of all investors per the OPIC finance agreement or insurance contract.

Using a statistical sampling methodology combined with risk-based monitoring, OPIC identifies projects that staff from one or more disciplines will site monitor. The projects selected for site monitoring include: (1) a random sample of projects that have been active for five or more years and have not been monitored previously; (2) projects that are sensitive with respect to U.S. economic effects, labor or environment, social, health and safety issues; and (3) projects that fit in logistically with randomly selected or sensitive projects.

Labor

OPIC monitors projects for compliance with contractual worker rights requirements through a combination of annual reporting by companies as well as site visits to both random and selected samples of projects. OPIC targets its worker rights monitoring efforts toward countries and sectors with a higher potential for possible worker rights violations.

Because certain areas of worker rights violations may be difficult to identify from a typical project site monitoring visit, in instances when OPIC determines further investigation is warranted for a project, OPIC may employ trained and certified labor auditors, often recruited locally with a reputation for impartiality and credibility among both the labor and business communities, to perform a full project audit. The auditors spend as much time as necessary to investigate potential violations thoroughly. At a minimum, an audit would include independent and confidential interviews with employees and management. Interviews may also include relevant entities such as government officials, knowledgeable local NGOs, and organized labor groups.

Environment, Social, Health, and Safety (E&S)

With respect to E&S issues, projects selected for site monitoring in a given year are prioritized based on environmental and social risk. Environmental and social risks are based on several factors including project sensitivity, host country context, project-level environmental and social management system, and investor experience in implementing projects of similar complexity. OPIC assesses the E&S performance of a project against applicable benchmarks including contract conditions, international standards and guidelines, and industry best practices. Factors included in the performance assessment include an evaluation of the project's environmental and social management systems, the effectiveness of mitigation, including pollution controls in risk reduction, and the efficiency of the operations, including energy efficiency, and interviews with the local community, where relevant.

U.S. Economic Impact

OPIC monitors projects for their actual impact on the U.S. economy, including the U.S. employment generation effects of the investments. OPIC ensures that projects do not negatively impact the U.S. economy. This analysis includes verifying export levels to the U.S. (if any) or to other countries, calculating the U.S. balance of payments impact, and verifying compliance with any restrictions put forward in the OPIC loan agreement or insurance contract (e.g. restrictions on exporting to the United States. or significant U.S. export markets).

Development Impact

Regarding host country development impact, OPIC monitors projects using the same criteria as at the time of project approval. Thus, an "apples-to-apples" comparison can be made between original development impact projections and actual operations. For example, if a project originally expected to hire 100 local workers, actual employment numbers are verified and compared to this forecast. Additionally, if a project is expected, for example, to build a school for the children of its employees, this will be verified. Other developmental impacts not identified or anticipated at the time of application are also evaluated and quantified during site monitoring. Finally, the project is re-revaluated using actual findings of the same criteria used in the project's original OPIC review.

Exhibit 8: Site Monitored Projects in FY2014

PROJECT NAME	LOCATION
AES JORDAN PSC	JORDAN
AES LEVANT PSC	JORDAN
ALTO MAIPO SPA	CHILE
AMANECER SPA	CHILE
AMERICAN INTERNATIONAL SCHOOL OF ABUJA	NIGERIA
AMERICAN UNIVERSITY OF BEIRUT	LEBANON
AQUARELLA INVESTMENTS 265 - JABULANI VILLAGE	SOUTH AFRICA
CAFR-AMERICAN INTERNATIONAL SCHOOL LAGOS	NIGERIA
CAIRO AMMAN BANK	JORDAN
CHOUS2-JSC BANK CENTERCREDIT	KAZAKHSTAN
CHOUS2-JSC HALYK SAVINGS BANK	KAZAKHSTAN
CMFI-2-JORDAN MICRO CREDIT COMP(TAMWEELCOM)	JORDAN
DIG-SOFIHDES	HAITI
DISI WATER PSC	JORDAN
FIREFLY INVESTMENTS 230 PTY	SOUTH AFRICA
FOUNTAIN SPRINGVILLE ESTATE	NIGERIA
GMT HOTELS, LLC	GEORGIA
HAITI 360	HAITI
HELIOS TOWERS NIGERIA LTD ("HTN")	NIGERIA
INDUSTRIAL DPR FUNDING LTD.	GUATEMALA
INTERENERGY HOLDINGS	DOMINICAN REPUBLIC
INTERNATIONAL COLLEGE	LEBANON
JORDAN-ARAB BANK	JORDAN
JORDAN-CAIRO AMMAN BANK	JORDAN
JORDAN-CAPITAL BANK OF JORDAN	JORDAN
JORDAN-HOUSING BANK FOR TRADE AND FINANCE	JORDAN
JORDAN-JORDAN AHLI BANK	JORDAN
JOSHI TECHNOLOGIES INTERNATIONAL, INC.	COLOMBIA
JSC PROCREDIT BANK GEORGIA	GEORGIA
LAFISE GROUP PANAMA	PANAMA
LEBANESE AMERICAN UNIVERSITY	LEBANON
MEII-2-JORDAN AHLI BANK (SME)	WEST BANK
MEII-AL-QUDS BANK FOR DEVELOPMENT & INVEST	WEST BANK
MEII-BANK OF PALESTINE	WEST BANK
MEII-CAIRO AMMAN BANK	WEST BANK
MEII-HOUSING BANK FOR TRADE AND FINANCE	WEST BANK
MEII-JORDAN AHLI BANK	WEST BANK
NATIONAL POWER CORPORATION ("NAPACOR")	PHILIPPINES
NCB3-BANK CENTER CREDIT JSC	KAZAKHSTAN
PANNONIA ETHANOL	HUNGARY
PROPAK AMBALAJ URETIM VE PAZARLAMA A.S.	TURKEY
PV SALVADOR	CHILE
ROOT CAPITAL INC.	COSTA RICA
SAN ANDRES SPA	CHILE

SANTE GMT PRODUCTS, LLC	GEORGIA
SEABOARD OVERSEAS LIMITED	HAITI
SKYE - CAPIC SELECT LIMITED	NIGERIA
TELIANI VALLEY	GEORGIA
TURKIYE GARANTI BANKASI A.S.	TURKEY
UNIVERSALB SHA FOLLOW-ON	ALBANIA
WENDY’S GEORGIA	GEORGIA