

OPIC EO13514 SUSTAINABILITY PLAN

Section 1: Agency Policy and Strategy

I. Agency Policy Statement

OPIC was established as an agency of the U.S. government in 1971. It helps U.S. businesses invest overseas, fosters economic development in emerging and developing countries, complements the private sector in managing risks associated with foreign direct investment, and supports U.S. foreign policy.

The Overseas Private Investment Corporation (OPIC) is committed to working with the Administration and the global community to promote the goals of Executive Order 13514.

OPIC recognizes the importance of this initiative and continues to explore ways to reduce its own greenhouse gas (GHG) emissions and in fulfilling its mission, expand support for projects in the renewable energy sector. OPIC has prioritized supporting projects and policies that help emerging and developing countries meet their energy needs in an environmentally responsible manner. Specifically, OPIC has implemented a GHG Initiative that moves the agency in this direction by directly addressing emissions and by partnering with the private sector to support projects and clean technology that will provide energy and spur growth while protecting the environment in developing countries.

Through its appraisal and monitoring process, OPIC ensures that all projects that it supports are environmentally and socially sustainable, respect the rights of workers and communities, and are designed and operated in compliance with applicable regulatory requirements and good international practice. OPIC is committed to supporting low or no-carbon economic development and to making sure that negative impacts are avoided, reduced, restored, or otherwise mitigated.

II. Sustainability and the Agency Mission

In 2007, OPIC announced a major effort to reduce the climate impact of U.S. overseas investments supported by OPIC and to increase support for projects in the renewable energy sector. OPIC committed to the following initiatives and is actively implementing these initiatives.

- Establishing a transparent methodology for GHG accounting.

- Reducing the direct emissions associated with OPIC supported projects in the active portfolio by 30 percent over a ten year period from the 2008 baseline and by 50 percent over a fifteen year period from the 2008 baseline.
- Shifting emphasis to renewable and energy-efficient projects.
- Establishing an annual emissions cap for all new GHG emissions in OPIC supported projects.
- Application of market-based incentives to encourage private sector U.S. investment in renewable energy and energy efficiency improvement projects.
- Increasing the amount of financing available to support renewable energy and clean technology projects.

In accordance with OPIC statutory obligations, OPIC has established an annual emissions cap to manage new carbon additions to OPIC's portfolio. OPIC is also increasing its market outreach to the renewable energy and clean energy business community to identify and support new project opportunities.

III. Greenhouse Gas Reduction Goals

In 2010, OPIC committed to reduce the direct emissions associated with OPIC supported projects in the active portfolio by 30 percent over a ten year period starting from the June 30, 2008 baseline and 50 percent over a 15-year period from the June 30, 2008 baseline. OPIC has also strengthened accounting and reporting practices on all projects with annual emissions exceeding 25,000 metric tonnes of CO_{2eq} per year.

IV. Plan Implementation

To ensure a reliable and transparent process for reporting project-related GHG, OPIC completed a comprehensive GHG inventory of the OPIC portfolio and established an accounting methodology to track OPIC's progress toward achieving its commitment. The baseline inventory and methodology used by OPIC's external GHG accountant is provided to Congress and posted on OPIC's website (<http://www.opic.gov/environment>). OPIC updates the inventory on an annual basis based on the projects in the portfolio at the end of each fiscal year. This information has been reported to Congress in the Annual Policy Report to Congress and posted on OPIC's website.

OPIC has an annual emissions cap that has been in place since June 2007. This cap has served to significantly constrain new carbon additions to OPIC's portfolio. The first year the cap was in effect, from June 2007 to June 2008, OPIC utilized only 18 percent of the annual cap. During Fiscal Year 2009, OPIC used approximately 55 percent of the annual cap.

OPIC significantly increased its market outreach to the renewable energy and clean energy business community to identify and support new project opportunities. OPIC created an interdepartmental Renewable Energy and Sustainable Development task force to coordinate

agency efforts on marketing, project review, and policy analysis. As one example of this expanded outreach, OPIC was a collaborating partner for the Renewable Energy in the Emerging Markets conference held in San Francisco in April 2009.

In May, 2010, OPIC sponsored an international conference on renewable energy and clean technology intended to facilitate new U.S. private sector investment in these two fast-growing sectors. More than 260 participants from over 26 countries, representing U.S. and emerging market businesses, leading financial institutions, and the governments of the United States and India attended this three day conference.

V. Evaluating Return on Investment

OPIC strives for positive development outcomes in the projects it finances and/or insures in emerging and developing markets. Positive development helps promote the long-term profitability of projects, enables OPIC to fulfill its development mandate and strengthens the public's trust in OPIC. An important component of positive development outcomes are the social and environmental sustainability of projects. As a practical matter, finite resources require the agency to make informed choices about how best to use its resources, consider project impacts and implications as we consider investment opportunities and impacts as part of the decision making process and provide incentives for projects that support social, economic and environmental goals. OPIC, in deciding which projects to support, is obligated to ensure that those projects confer on the host economies and communities as many positive developmental benefits as possible.

OPIC screens applications early in the process to identify the risk of adverse environmental and social impacts of a proposed project. When a project is proposed for financing, OPIC conducts a developmental and environmental review of the project as part of its overall due diligence. This review is appropriate to the nature and scale of the project and commensurate with the level of developmental and environmental risks and impacts.

OPIC factors in return on investment to help prioritize and guide energy conservation projects (energy smart repairs). OPIC's developmental impact assessment and environmental review of proposed projects are important factors in OPIC's decision whether or not to finance a project, and in determining the scope of the developmental and environmental conditions of OPIC financing. Pursuant to its Environmental and Social policy statement, OPIC puts into practice its commitment to social and environmental sustainability. OPIC strives to take a consistent approach to projects to minimize adverse impacts on workers, communities, and the environment. Where avoidance is not possible, OPIC strives to reduce, mitigate, or compensate for the impacts, as appropriate.

Budget proposals are submitted for facilities related projects and are assessed as part of the overall organizational strategic planning and budgeting process. Proposals are evaluated in terms of costs, organizational benefits, regulatory requirements, etc.

VI. Transparency

To ensure a reliable and transparent process for reporting project-related greenhouse gases, OPIC completed a comprehensive GHG inventory of the OPIC portfolio and established an accounting methodology that will enable the public to track OPIC's progress toward achieving the 30 and 50 percent reduction commitment. This baseline accounting includes significant GHG emitters in all sectors.

The baseline inventory and methodology used by OPIC's external GHG accountant is provided to Congress in an Annual Policy Report and posted on OPIC's website. OPIC will conduct the inventory on an annual basis based on the projects in the portfolio at the end of each fiscal year.

Section 2: Performance Review and Annual Update

I. Summary of Accomplishments

On June 14, 2007, OPIC announced its Greenhouse Gas/Clean Energy Initiative to systematically evaluate, monitor, and report on OPIC's investment decisions and to demonstrate to stakeholders OPIC's progress in reducing GHG emissions.

OPIC initiated a four-part plan to address the issue of greenhouse gas (GHG) emissions and increase support for clean energy and green technology: (1) reduce the emissions profile of OPIC's portfolio; (2) establish an annual transactional cap to constrain the addition of large carbon emitting projects to the portfolio; (3) support energy efficiency, renewable & clean technology; and (4) enhance accounting and transparency.

As part of the effort to reduce emissions of OPIC's project portfolio, OPIC works to support projects that tie economic viability to environmental sustainability. Oftentimes this means powering growth with alternative forms of electricity production and newer, cleaner technologies. OPIC's outreach program in renewable energy and clean technology over the past two years has resulted in the agency's consideration of more than 100 proposals totaling \$2 billion in the areas of biomass, solar, wind, hydro and geothermal power generation, water purification and distribution, green housing and clean fuels. Despite challenging credit and equity markets over the past year, OPIC-supported renewable energy investment funds, approved by OPIC's Board of Directors in September 2008, are poised to begin making investments in clean fuels, hydro and solar energy.

II. Goal Performance Review

Goal 1: Scope 1 & 2 Greenhouse Gas Reduction

OPIC has no quantitative targets for Scope 1&2 emissions. OPIC leases space in a commercial building, owns one vehicle and leases one GSA van.

Goal 2: Scope 3 Greenhouse Gas Reduction

Goal Description: As part of its Greenhouse Gas/Clean Energy Initiative, OPIC has committed to: (a) reduce the direct GHG emissions associated with projects in OPIC's active portfolio as of June 30, 2008 (i) by 30 percent over a ten-year period; and (ii) by 50 percent over a 15-year period; and (b) shift investment support focus to renewable and energy efficient projects.

OPIC will promote sustainable travel in an effort to reduce carbon emissions associated with commuting and travel by agency staff and will explore video conferencing alternatives where feasible.

Agency Lead for Goal: Office on Investment Policy (projects); senior management (travel and training)

Implementation Methods: OPIC has implemented a policy to constrain the addition of projects that have the potential to emit high levels of GHG emissions to the portfolio to assist OPIC in meeting its commitments of 30 percent GHG emissions reduction in 10 years and 50 percent reduction in 15 years.

In addition, OPIC completed a comprehensive GHG inventory of the OPIC portfolio for the baseline year as well as the year 2008 and established an accounting methodology to track OPIC's progress toward achieving the 30 percent and 50 percent reduction commitment.

Positions: The agency currently uses an external contractor to perform an independent analysis to quantify the GHG emissions directly attributable to projects to which OPIC is financially committed.

Planning table: OPIC is required to achieve a 30 percent reduction in GHG emissions from the baseline emissions by September 30, 2018 and to reduce GHG emissions by 50 percent from the baseline emissions by September 30, 2023.

In order to achieve the 30 and 50 percent reduction commitment, OPIC establishes an annual transactional cap for all new projects within a given year with significant, direct greenhouse gas emissions. For the purposes of allocation of the annual cap, new projects are defined as those projects that receive an OPIC commitment within a given year. In cases where an Applicant requests OPIC support for a portfolio of projects, OPIC will allocate cap individually, as necessary, to each project within the applicant's portfolio. Allocation of the annual transactional cap is at OPIC's discretion.

Agency status: GHG emissions from projects in OPIC's portfolio were reduced by approximately 33 percent from the baseline year to the year 2008 indicating that OPIC is on track to achieve its 30 percent reduction in 10 years and 50 percent in 15 years.

OPIC will periodically review and identify potential cost-effective strategies and options to reduce GHG emissions associated with commuting and travel by agency staff.

Goal 3: Develop and Maintain Agency Comprehensive Greenhouse Gas Inventory

Goal Description: To track and report GHG emissions associated with projects within OPIC's active portfolio that have direct emissions exceeding 25,000 tonnes CO_{2eq} per year and to combine these emissions with the agency's other Scope 3 emissions.

Agency Lead for Goal: Office on Investment Policy

Implementation Methods: OPIC tracks and reports on an individual project basis the annual greenhouse gas emissions associated with projects within OPIC's active portfolio with direct emissions that exceed 25,000 tonnes CO_{2eq} per year. To the extent possible, OPIC calculates greenhouse gas emissions using methodologies approved by the Climate Registry <http://www.theclimateregistry.org> and other internationally accepted GHG accounting protocols including the U.S. Environmental Protection Agency.

OPIC reports on an annual basis the projected greenhouse gas emissions associated with each newly committed project with direct emissions that exceed 25,000 tonnes of CO_{2eq} per year. OPIC also annually reports on investments in renewable energy and environmentally beneficial projects and services, including investments to improve energy efficiency. Annual greenhouse gas emission estimates are subject to third party verification.

Positions: The agency currently uses an external contractor to perform an independent analysis to quantify the GHG emissions directly attributable to projects to which OPIC is financially committed. The agency will work to combine emission estimates from its project portfolio with emission estimates from other Scope 3 sources.

Planning Table: The agency requires that the third party contractor submit the GHG inventory in March of each year. Once this report is submitted, the agency will incorporate OPIC's other Scope 3 emissions calculations in order to report total Scope 3 emissions.

Agency Status: To date, two GHG emission inventories have been developed by the agency's third party contractor; one is the baseline inventory and the other is for the year 2008. OPIC is currently in the initial stage of developing a baseline for its other Scope 3 emissions.

Goal 4: High-Performance Sustainable Design / Green Buildings

OPIC has no quantitative target because OPIC leases space in a commercial building, and has limited input into its design and utilities are all inclusive in the lease. However, the building is an Energy-Star rated building. OPIC works closely with the landlord on a continual basis to examine energy based programs for the building and provides the landlord with information on Federal initiatives such as Federal Leadership in Environmental, Energy and Economic Performance. In the event OPIC acquires additional space, it will attempt to do so in a manner

that any demolition, design and construction of the additional space be done in a sustainable manner to optimize energy efficiency, minimize consumption of energy, water, and materials and provide a safe, healthy environment.

OPIC's preventive maintenance services for its existing facility, equipment and systems ensure equipment is properly managed and maintained for optimal performance. We ensure equipment and assets are disposed of appropriately through GSA.

Goal 5: Regional and Local Planning

Not applicable. OPIC has no quantitative target. OPIC is located within three blocks of all forms of mass transit, including the Washington DC Metro rail and public bus systems as well as commuter bus programs for both Maryland and Virginia. OPIC continues to promote carpooling and encourages mass transit use through our mass transit subsidy program. We also have a telework program with 78 percent of OPIC employees approved for participation.

In fulfilling its mission, OPIC works with the private sector to encourage U.S. investment in renewable energy and energy efficiency projects through the application of market-based incentives. OPIC considers emission reduction alternatives for all OPIC-supported projects, including opportunities to enhance energy and operational efficiency, and the application of new technologies for the capture, storage, and recovery of GHG. Through its appraisal and monitoring process, OPIC ensures that all projects OPIC supports are environmentally and socially sustainable, respect the rights of workers and communities, are designed and operated in compliance with applicable regulatory requirements and good international practice.

Goal 6: Water Use Efficiency and Management

OPIC has no quantitative target because OPIC leases space in a commercial building and has limited input into its design and utilities are all inclusive in the lease. OPIC works closely with the landlord to examine energy based programs for the building and provides the landlord with information on Federal initiatives such as Federal Leadership in Environmental, Energy and Economic Performance.

The landlord has already implemented a number of building improvements for water use efficiency and management. The building has retrofitted the original base building plumbing fixtures (i.e. toilets and urinals) with low flow models. They have installed hands free faucets and automatic flushers on the toilets to eliminate unnecessary over usage of water.

Goal 7: Pollution Prevention and Waste Elimination

OPIC will seek to enhance sustainable practices by reviewing and identifying potential cost-effective strategies it can implement to reduce our printing paper use and to increase the use of uncoated printing and writing paper containing at least 30 percent postconsumer fiber. We have asked our office supplier to provide us with information on the products they offer that can

help us meet this initiative. We will also inform OPIC employees about, and involve them in achieving the goals of E.O. 13514.

We provide recycling containers in offices, copy rooms and galleys and the building has an active recycling program. We also utilize a shredding service for business sensitive documents that recycles the shredded content.

Both the building janitorial and engineering departments are requiring and using more green certified chemicals, cleaning products, and paints to reduce the hazardous chemicals and materials that are present in the building. Building management has also reported that several of the restaurants are diverting used cooking oil to a local oil recycling company. The building also conducts air quality and water testing twice a year.

Goal 8: Sustainable Acquisition

OPIC is committed to the principles and practices of sustainable acquisitions and will explore opportunities with vendors and contractors regarding ways to leverage acquisitions for sustainable and environmentally preferable materials, products and services that meet our requirements. As feasible, OPIC will incorporate appropriate language and clauses into solicitations, contracts and contract modifications for the procurement of products and services that are energy efficient, water efficient, bio-based, environmentally preferable, non-ozone depleting, contain recycled content, or are non-toxic or less toxic alternatives. Internally, appropriate guidance will be provided to personnel on applicable procurement requirements and clauses relevant to sustainable acquisition. OPIC will also ensure vendors are familiar with these requirements during initial contract kickoff meetings. OPIC will review and update Procurement guides and handbooks as needed. A draft green purchasing plan has been developed and is currently under review. Our goal is to ensure agency procurement practices take into account sustainable principles and reinforces our sustainability efforts.

Goal 9: Electronic Stewardship and Data Centers

OPIC is committed to the principles and practices of electronics stewardship. To facilitate compliance with Executive Orders 13423 and 13415, OPIC has developed a draft Electronic Stewardship Plan (ESP) that is currently under review. The purpose of OPIC's ESP is to implement sound environmental practices for the three life-cycle phases of electronic products: acquisition, operations and maintenance, and end-of-life management. The ESP will enhance OPIC sustainable practices in order to comply with the EOs and reduce energy consumption, reduce toxics disposal related to electronics and save money through reduced energy consumption and increased electronics life expectancy.

Data center consolidation is another key element of the new Federal IT strategy and important in meeting the goals of EO 13423 and EO 13514 to reduce costs, energy consumption, space usage and environmental impacts while increasing the utilization and efficiency of IT assets.

OPIC has one business location and only one data center. OPIC is in the process of reducing the

overall power consumption and environmental impact by implementing server virtualization and hardware consolidation on blade server technology. OPIC is also committed to taking advantage of services offered by vendors in the form of cloud computing which also reduces the OPIC data center environmental footprint.

Goal 10: Agency Innovation

OPIC initiated a four-part plan to address the issue of GHG emissions and increase support for clean energy and green technology: (1) reduce the emissions profile of OPIC's portfolio; (2) establish an annual transactional cap to constrain the addition of large carbon emitting projects to the portfolio; (3) support energy efficiency, renewable & clean technology; and (4) enhance accounting and transparency.

In order to achieve OPIC's required 30 percent reduction and 50 percent reduction commitment OPIC establishes an annual transactional cap for all new projects within a given year with significant, direct GHG emissions. Allocation of the annual transactional cap is at OPIC's discretion.

OPIC's Office of Investment Policy's Environmental and Social Policy Statement provides Applicants (e.g. investors, lenders or project sponsors) notice of the general environmental and social requirements that OPIC applies, as appropriate, in evaluating prospective projects seeking OPIC support and for monitoring on-going OPIC-supported projects. It adopts as a benchmark the International Finance Corporation's Performance Standards on Social and Environmental Sustainability and Industry Sector Guidelines. These standards and guidelines provide for a tailored approach to risk management which allows Applicants and OPIC to specify appropriate and relevant requirements that are proportional to potential project risks and impacts and adapted to the particular business of the Applicant.

OPIC posts on its website brief summaries of environmentally or socially sensitive projects at least 60 days before OPIC makes a decision to support them. Public comment on the projects is invited, and considered by OPIC, in advance of the decisions.

OPIC sponsored an international conference on renewable energy and clean technology intended to facilitate new U.S. private sector investment in these two fast-growing sectors. More than 260 participants from over 26 countries, representing U.S. and emerging market businesses, leading financial institutions, and the governments of the United States and India attended this three day conference.

Section 3: Agency Self-Evaluation

Note: OMB and CEQ will update these questions annually to reflect Administration priorities. For 2010, please respond to the following items. Each agency’s total response for this section should be limited to one or two pages.

I. Please answer ‘yes’ or ‘no’ to the following questions. If the answer is ‘no’, provide an explanation below.

Does your plan provide/consider overarching strategies and approaches for achieving long-term sustainability goals?	Yes
Does your plan identify milestones and resources needed for implementation?	Yes
Does your plan align with your agency’s 2011 budget submission?	Yes
Is your plan consistent with your agency’s FY 2011 budget and appropriately aligned to reflect your agency’s planned FY 2012 budget submission?	Yes
Does your plan integrate existing EO and statutory requirements into a single framework and align with other existing mission and management related goals to make the best use of available resources?	Yes
Does your plan provide methods for obtaining data needed to measure progress, evaluate results, and improve performance?	Yes

Narrative requested:

II. What are your agency’s planned actions for the following year (in 6 month increments, July-Dec 2010 & Jan-June 2011) to achieve the sustainability and energy standards for success on the OMB Scorecard? Please use short, descriptive, and action-oriented bullets for key milestones and associated target dates. Agencies may highlight text within its Sustainability Plan to emphasize these key actions and milestones.

- OPIC will work to reduce the direct greenhouse gas emissions associated with projects in OPIC’s active portfolio by 30 percent over a ten year period (June 30,2008 – September 30, 2018)
- OPIC will work to reduce the direct greenhouse gas emissions associated with projects in OPIC’s active portfolio by 50 percent over a fifteen year period (June 30, 2008 – September 30, 2023)
- OPIC will work to shift investment support focus to renewable and energy efficient projects