

GAO Highlights

Highlights of [GAO-16-64](#), a report to congressional requesters

Why GAO Did This Study

OPIC helps mobilize private capital to address development challenges globally and advance U.S. development assistance objectives.

GAO was asked to provide information on OPIC's financing commitments and its project selection and monitoring practices. This report examines (1) the amounts and types of OPIC financing support for fiscal years 2008 through 2014, (2) how OPIC selects projects, and (3) how OPIC monitors projects.

To address these objectives, GAO analyzed OPIC data for its commitments made in fiscal years 2008 through 2014, to reflect recent activity. GAO also reviewed OPIC policies, annual reports, and selection and monitoring documents for a nongeneralizable sample of 21 projects in four countries. The country and project selections were based on several factors, including OPIC financing amounts, ease of doing business ratings, and project sector. GAO interviewed officials from OPIC and other organizations as well as officials and clients in Honduras and Pakistan, two countries with particularly challenging business climates.

What GAO Recommends

GAO recommends that OPIC (1) establish time frames for submitting site visit reports and (2) assess its monitoring processes to ensure risks associated with current practices are acceptable for meeting OPIC's program goals. OPIC concurred with these recommendations.

View [GAO-16-64](#). For more information, contact Kimberly M. Gianopoulos at 202-512-8612 or gianopoulosk@gao.gov.

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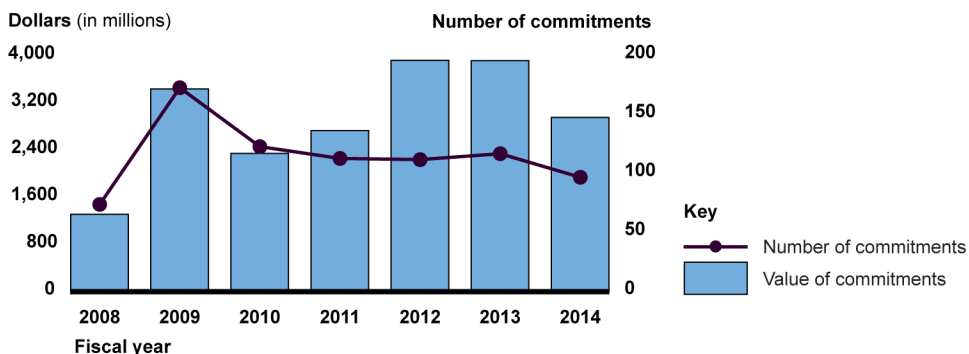
OVERSEAS PRIVATE INVESTMENT CORPORATION

Additional Actions Could Improve Monitoring Processes

What GAO Found

The Overseas Private Investment Corporation (OPIC) provides loans, loan guarantees, and political risk insurance to private entities to support development in over 150 countries. In fiscal years 2008 through 2014, OPIC made 718 commitments worldwide valued at about \$20 billion. OPIC committed the majority of this financing support to projects in Latin America and the Caribbean and in Sub-Saharan Africa, and 25 percent to countries with low per capita incomes.

Overseas Private Investment Corporation's (OPIC) New Commitments Worldwide by Value and Number, Fiscal Years 2008 through 2014



Source: GAO analysis of OPIC data. | GAO-16-64

OPIC has policies to guide its project selection process, including confirming a connection to the United States and reviewing potential environmental and social, worker rights, and human rights impacts. In its review of a nongeneralizable sample of projects, GAO found that OPIC generally followed these policies. While GAO found that OPIC completed required human rights reviews, the responsibility for reviewing human rights-related information is spread across groups, and OPIC lacked clear guidance for conducting these reviews. OPIC recently developed new guidance that identifies roles and responsibilities for these reviews. GAO also found that OPIC has recently adopted additional guidelines which may support more systematic cumulative environmental and social impact analyses.

OPIC monitors ongoing projects but may lack adequate information about some projects' policy compliance and impacts. OPIC uses annual client-reported data, a limited number of site visits, and independent consultant reports, among other things, to monitor projects' policy compliance and impacts. OPIC policy does not designate time frames for submitting site visit reports, and some reports GAO reviewed were written several years after the visits. OPIC's policy teams visit about one-tenth of active projects each year. Site visit reports GAO reviewed identified compliance issues that clients had not reported, indicating that OPIC may lack complete and accurate information on the status of some projects. Thus, OPIC's current monitoring processes may not provide adequate information on projects' annual policy compliance and development impact status to support program goals.