



Notes for Discussion

Draft Terms of Reference
(TOR) for DFC's Independent
Accountability Mechanism

June 2024

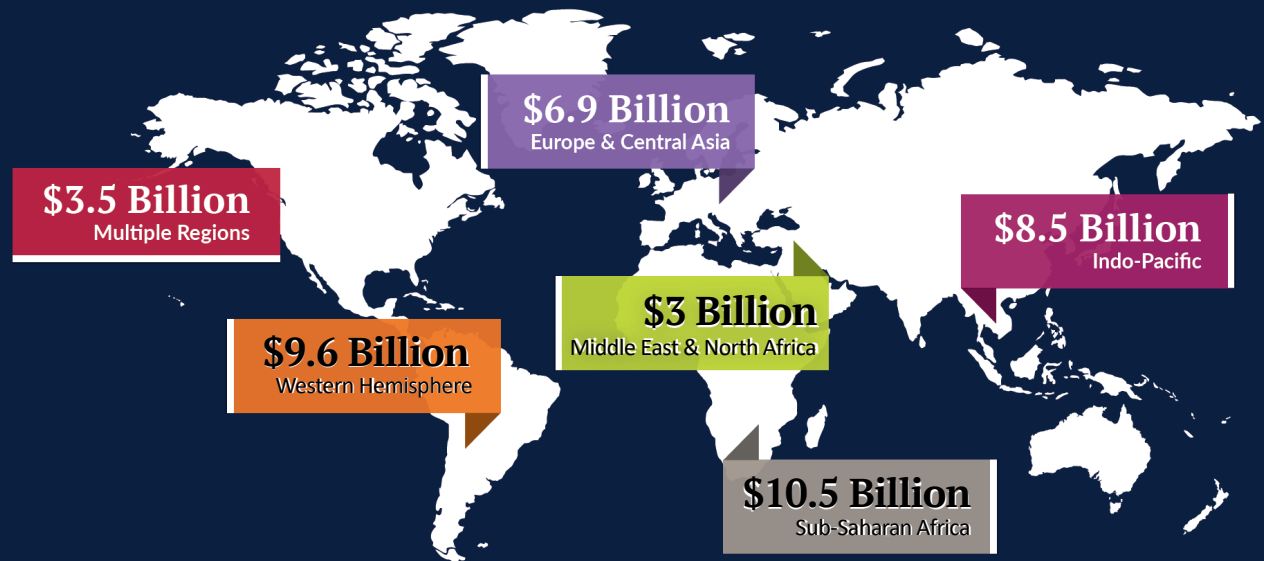
U.S. International Development Finance Corporation

FY2023: \$9.3 billion in financial commitments



\$40+ Billion

portfolio in over
100 emerging and
priority markets
around the world



The above exposures are as of 09/30/2023 and exclude cross-cutting limits on insurance claims.

Priorities: Energy, Health, Infrastructure and Critical Minerals,
SME & Financial Services, Food Security and Agriculture

What is DFC's IAM

Also known as Office of Accountability

Independent office within DFC that provides **project-affected communities, project sponsors, and project workers** an opportunity to have **concerns independently reviewed and addressed.**

IAM Webpage



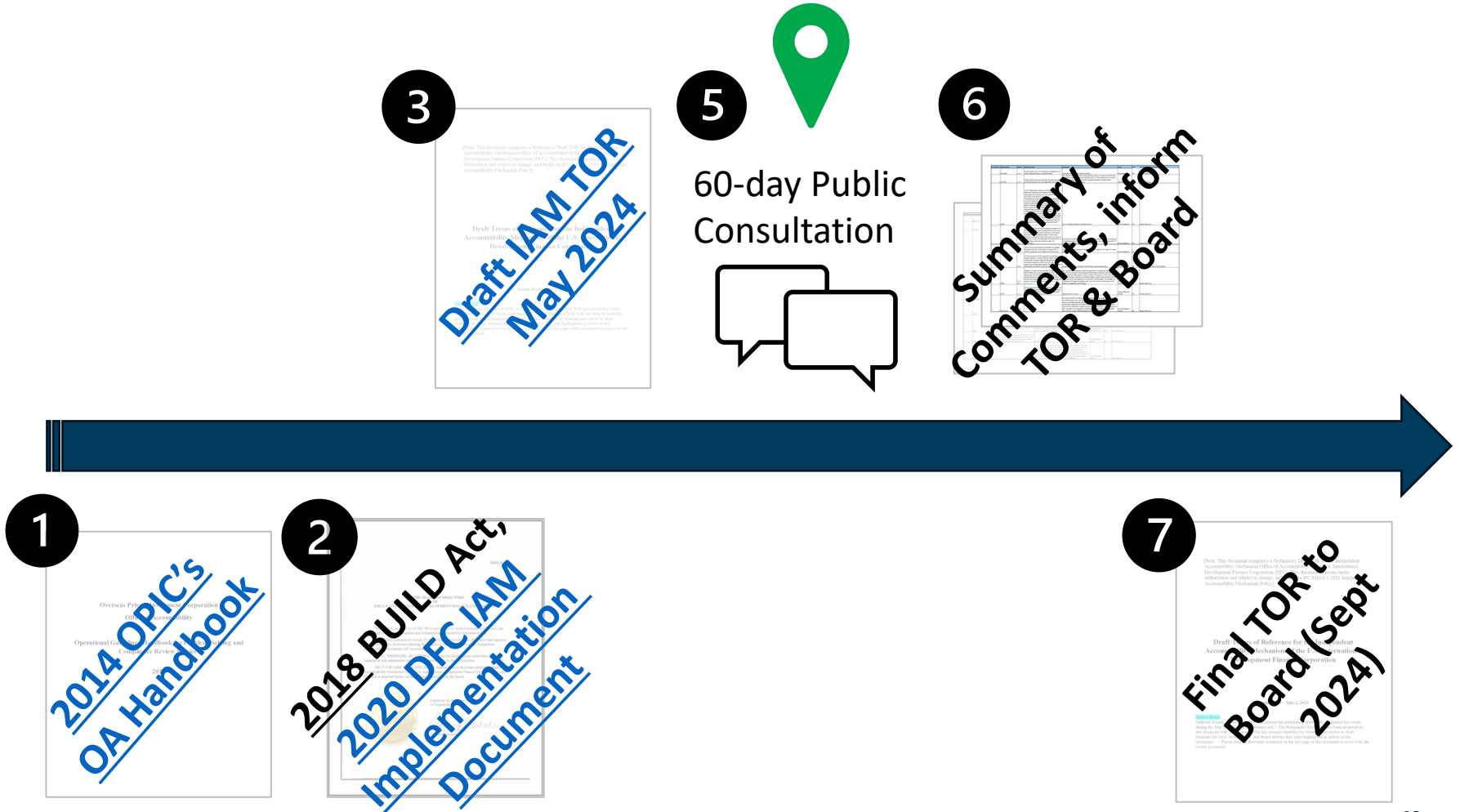
LinkedIn page



Web: <https://www.dfc.gov/our-impact/transparency/independent-accountability-mechanism>

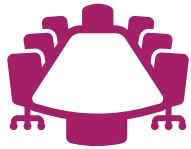
LinkedIn: <https://www.linkedin.com/company/iam-dfc>

IAM policy milestones



OA/IAM cases since 2005 (OPIC)

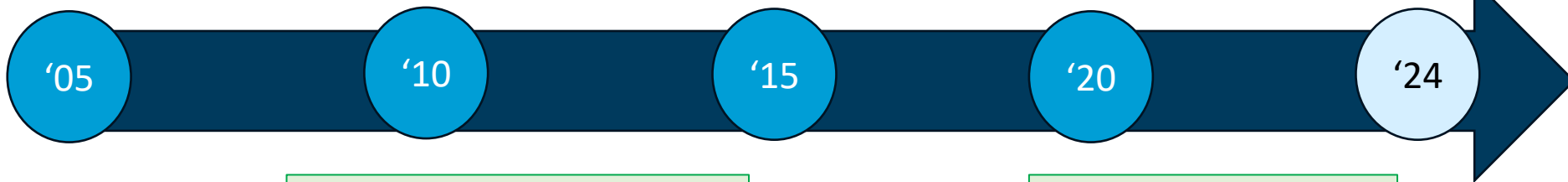
Management requests: n=3



2016, Regional: Assessment of OPIC's E&S Monitoring

2014, Liberia: Buchanan Renewable Energy

2024, Kenya: Bridge Intern'l Academy



2008, Bolivia: Coeur d'Alene Mines

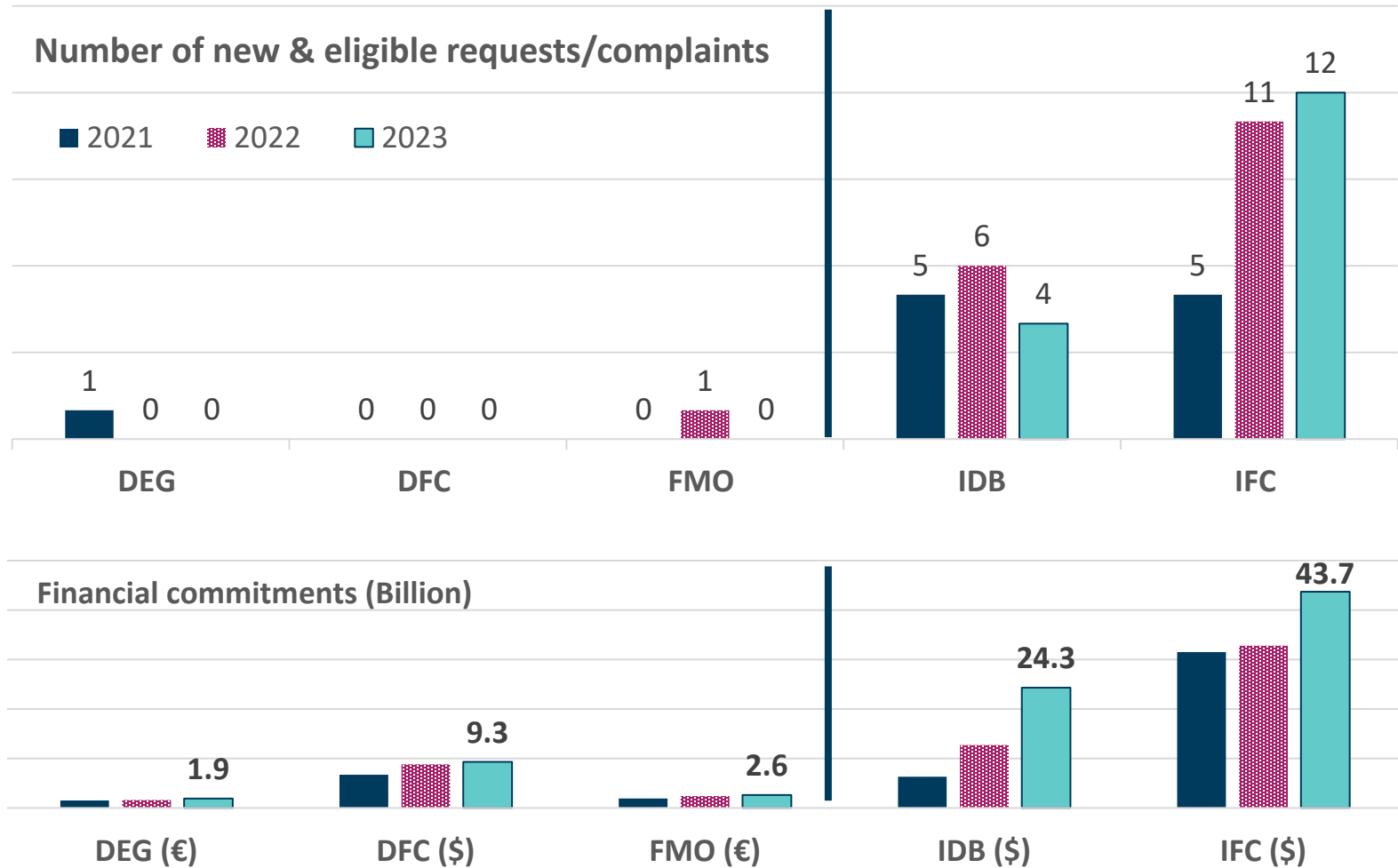
2019, Israel: Noble Energy Leviathan

2006, Regional: BTC Pipeline

2010, Mexico: Cerro de Oro, Hydroelectric

Eligible external requests: n=4

Eligible cases lodged at selected DFIs

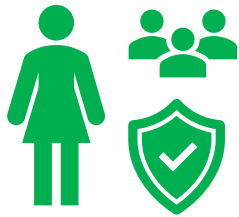


TOR modelled after IFC/MIGA CAO Policy

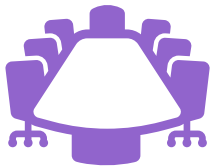
Coherent, well-tested, and trusted



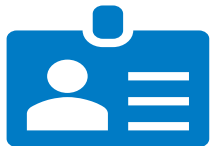
Who can request IAM services?



Affected Stakeholders
(or representatives),
also DFC Clients



DFC Board
& CEO



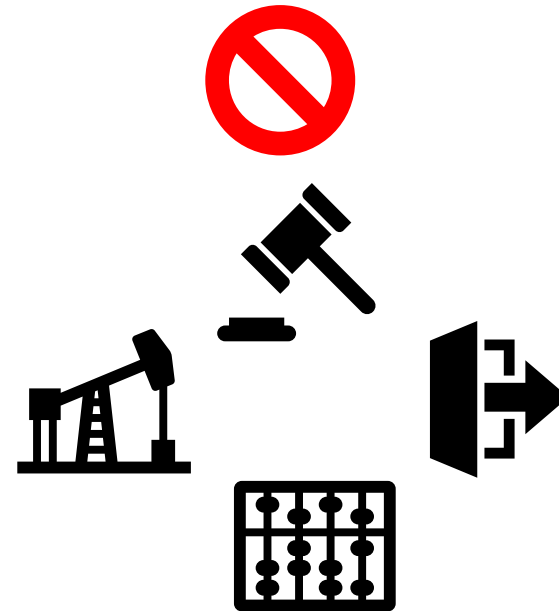
IAM Director
(self-initiated)



What are eligible requests/complaints? Template letter on webpage



Active Projects*, FIs,
E&S focus, including labor



Procurement, pre-Board, post-Exit*,
criminal, general public goods, DFC policies

* In exceptional circumstances, up to 24 months after DFC Exit

Problem-solving (Mediation), Flexibility

Non-judicial, neutral, collaborative

- Goal: improve E&S outcomes for stakeholders
- IAM monitors implementation of agreements
- Full or partial resolution possible
- Closure or compliance review as optional next step



Compliance investigations

- Focused on DFC's compliance, can take one (1) year
- IAM's confidential draft reports subject to factual reviews by parties and management
- Management Action Plans (MAPs) subject to Board approval
- IAM monitors Management's progress reporting



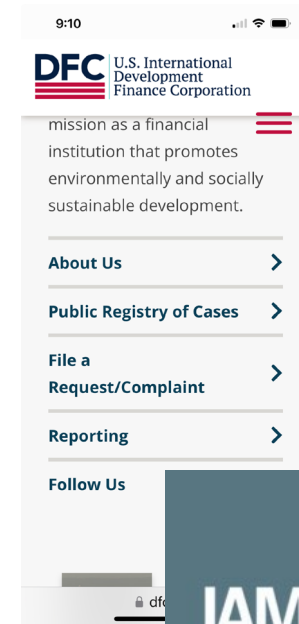
Threats and reprisals

- Retaliation not tolerated
- No anonymous complaints, but identities can be kept confidential
- Obtain informed consent of concerned person before actions
- IAM may transfer Request to compliance function without need for an explicit consent



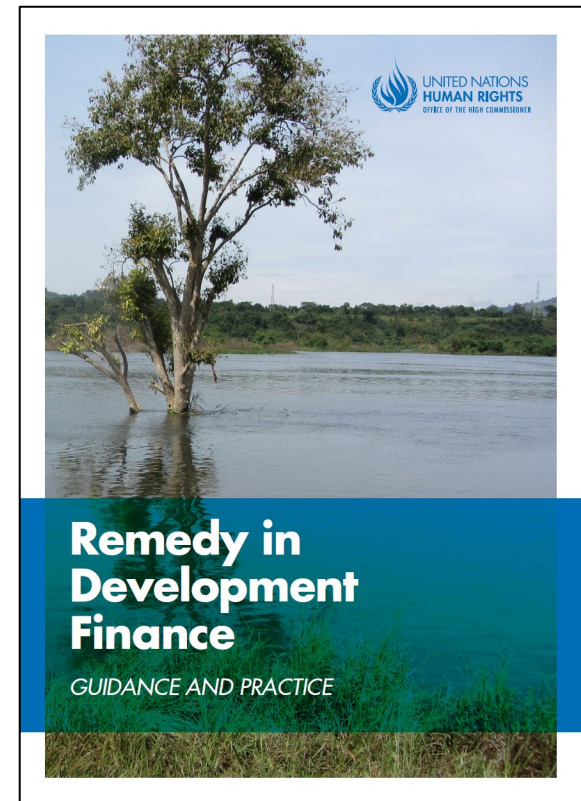
Outreach & Communication

- Inform stakeholders how to access IAMs: Projects, Clients, outreach
- Maintain [public registry of cases](#)
- Reports to Board and U.S. Congress, publishes [activity reports](#)
- Member of [IAMnet](#), collaborates with other IAMs



Limits to IAM's authority

- Does not review other entities (Clients, public authorities)
- Does not allocate responsibility for harm among DFC, the Client, or others
- No authority with respect to judicial processes, is not an enforcement mechanism
- CSOs' concerns: "Remedy Gap"



What is DFC OIG

Also known as Office of Inspector General

Independent office within DFC that provides oversight through audits, investigations, and inspections of DFC programs and operations worldwide.

- Reports to United States Congress and the DFC Board of Directors.
- Conducts audits and inspects agency programs, policies and procedures and makes recommendations that aim to improve efficiency and effectiveness.
- Conducts criminal, civil, and administrative investigations of alleged violations of laws, rules, or DFC policy. Allegations might include fraud, corruption, and whistleblower reprisal.
- Protects whistleblowers.
- Coordinates with DFC's IAM, law enforcement, and OIG community.



DFC OIG Hotline

ONLINE: **OIG Hotline** (www.dfc.gov/oig)

PHONE: **833-OIG-4DFC** (833-644-4332)



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https://www.linkedin.com/company/90824132/admin/feed/posts/@DFC_OIG

Summary

- TOR modelled after tested & trusted IFC/MIGA's CAO policy
- Independence: IAM reports to Board and U.S. Congress
- Functions: Problem-solving, Compliance review, Advisory
- Innovations: exceptional eligibility up to 24 months post DFC-exit



Contacts & Resources

Contact

**U.S. International Development
Finance Corporation (DFC)**

1100 New York Avenue, N.W.
Washington, D.C. 20527 USA

Email: accountability@dfc.gov

Resources

For more information or to file a request/complain, please visit:
<https://www.dfc.gov/our-impact/transparency/office-of-accountability>

To keep up-to-date about DFC's IAM, please follow:
<https://www.linkedin.com/company/iam-dfc/>

To comment on Draft TOR, please email accountability@dfc.gov and/or jr@johnriordan.com **by July 30, 2024**. Mark in **subject line: “IAM TOR Comments”**, and, if preferred, “Keep Identity Confidential”.