



**Independent
Accountability
Mechanism**

U.S. International Development Finance Corporation

IAM Appraisal Report

Bridge International Academies Project, Kenya

October 10, 2024

[Independent Accountability Mechanism / Office of Accountability](#)

U.S. International Development Finance Corporation (DFC)

1100 New York Avenue Northwest | Washington, DC 20527

About the IAM

The Independent Accountability Mechanism (IAM) — previously the Office of Accountability — is an independent office within U.S. International Development Finance Corporation (DFC) that addresses concerns, complaints, or conflicts about environmental or social issues that may arise around DFC-supported projects. The office provides project-affected communities, project sponsors, and project workers an opportunity to have concerns independently reviewed and addressed. The IAM reports directly to DFC’s Board of Directors. For additional information, visit DFC’s [Independent Accountability Mechanism](#).

Purpose of IAM Appraisals

An IAM Appraisal determines whether a full compliance review is the appropriate response to an eligible request that has been assessed and referred to IAM’s compliance function. The Appraisal process identifies DFC policies that are relevant to the incoming Request but does not evaluate DFC’s compliance with them.

Contents

| | |
|---|----------|
| Acronyms | 2 |
| 1. SUMMARY | 3 |
| 2. BACKGROUND | 4 |
| 2.1 The Project..... | 4 |
| 2.2 The Request..... | 4 |
| 2.3 Other Relevant Issues..... | 4 |
| 3. APPRAISAL SUMMARY | 5 |
| 3.1 Methodology | 5 |
| 3.2 Summary of Views..... | 5 |
| 4. APPRAISAL CONCLUSION | 7 |
| 4.1 Relevant Policies..... | 7 |
| 4.2 Initial Findings | 7 |
| 4.3 IAM Determination and Next Steps..... | 8 |
| Annex 1: Request for IAM Services (July 12, 2024)..... | 10 |
| Annex 2: BIA Perspective (received on September 5, 2024)..... | 13 |
| Annex 3: DFC Statement (October 9, 2024)..... | 15 |

Acronyms

| | |
|------|---|
| BIA | Bridge International Academies |
| BIAF | Bridge International Academies Foundation |
| CAO | Compliance Advisory Ombudsman |
| CSA | Child sexual abuse |
| CSO | Civil Society Organization |
| DFC | U.S. International Development Finance Corporation |
| ESPS | Environmental and Social Policy Statement |
| IAM | Independent Accountability Mechanism of DFC |
| IFC | International Finance Corporation |
| OPIC | U.S. Overseas Private Investment Corporation, DFC's predecessor |
| PS | IFC Performance Standard |
| SGBV | Sexual and gender-based violence |

1. SUMMARY

In 2013, U.S. International Development Finance Corporation's (DFC) predecessor, the Overseas Private Investment Corporation (OPIC)¹, provided a \$10 million loan with a 10-year tenure to Bridge International Academies (BIA, also commonly referred to as Bridge or Bridge Schools) for the development and operation of 237 low-cost private schools in Kenya that aimed to educate an estimated 300,000 children by 2022 (BIA Project). DFC exited the BIA Project in July 2022 because of early loan repayment by the Client. It is DFC's Independent Accountability Mechanism's (IAM) understanding that the successor organization to BIA is the Bridge International Academies Foundation (BIAF, also referred to as Bridge or the Bridge Schools).

On July 12, 2024, the IAM received a request for IAM services from a coalition of civil society organizations (CSOs) on behalf of four former pupils from Bridge Schools in Kenya (the Request). The Requesters, who asked for confidentiality, allege child sexual abuse (CSA) by a BIA-employed teacher while they were enrolled in a BIA school several years ago. These former pupils request that the IAM engages and includes them in the IAM's [on-going DFC CEO-requested compliance review](#) of the BIA Project (commenced in March 2024). The IAM Director determined the Request to be [eligible](#) on August 7, 2024, and completed an [Assessment Report](#) on August 20, 2024.

This Appraisal report summarizes the views communicated to the IAM Director by the Requesters (through their representatives), a representative of Bridge/NewGlobe, and DFC's Management; presents initial findings from IAM's review of documents and discussions with DFC staff; and summarizes the IAM's determinations, decisions, and next steps.

The IAM's initial findings indicate that the Project's social impacts may have harmed Affected Stakeholders and that the way OPIC and/or DFC implemented or omitted implementing their policies and procedures, including monitoring, may have contributed to such harm. Therefore, the IAM Director finds that a full compliance review of the BIA Project is merited. As asked for by the Requesters, and for efficient use of IAM resources, the IAM will merge the case with the on-going DFC CEO-requested full compliance review.

¹ <https://www.dfc.gov/media/press-releases/us-international-development-finance-corporation-begins-operations>

2. BACKGROUND

2.1 The Project

In 2013, DFC's predecessor, the Overseas Private Investment Corporation (OPIC), provided a \$10 million direct loan with a 10-year tenure to Bridge International Academies (BIA, commonly referred to as Bridge or Bridge Schools) for the development and operation of 237 low-cost private schools in Kenya that aimed to educate an estimated 300,000 children by 2022 (BIA Project)². The web-posted [Project Information](#) describes the developmental effects of the BIA Project as "highly developmental" including through provision of high-quality education to "rural and poor urban children." The U.S. Sponsor or the Parent Company of BIA was NewGlobe Schools, Inc. (NewGlobe), a Delaware corporation. OPIC screened the Project as "Category B" because impacts were deemed to be site-specific and readily mitigated. OPIC also issued a human rights clearance for the Project on September 21, 2012. OPIC commitment and the legal agreement are dated September 4, 2013. DFC exit occurred in July 2022 because of early loan repayment by the Client.

2.2 The Request

On July 12, 2024, the IAM received a request from a coalition of civil society organizations (CSO) comprising Accountability Council, Oxfam International, Inclusive Development International, and the Wangu Kanja Foundation, on behalf of four former pupils from BIA in Kenya (the Request). The Requesters, who asked for confidentiality, allege child sexual abuse (CSA) by a BIA-employed teacher while they were enrolled in a BIA school several years ago. The BIA Project was an active OPIC project during this timeframe. These former pupils request that the IAM engages and includes them in the IAM's [on-going compliance review](#) of the BIA Project. This review was requested by DFC's CEO on March 19, 2024, following publication of reports by the International Finance Corporation (IFC) and its Compliance Advisor Ombudsman (CAO) relating to alleged CSA at BIA schools in Kenya. The IAM Director determined the Request on behalf of the former BIA pupils in Kenya to be [eligible](#) on August 7, 2024, and completed an [Assessment Report](#) on August 20, 2024.

2.3 Other Relevant Issues

The IFC was another key investor in BIA or its parent company, NewGlobe. Unlike OPIC, which provided a \$10 million loan, the IFC provided equity investments totaling approximately \$13.5 million. IFC's CAO has received and processed numerous complaints related to its investment in BIA or its parent company, NewGlobe, since 2018. The CAO's [Compliance Investigation Report](#) referred to as "Bridge-04" of IFC's Investment in BIA or NewGlobe, dated October 3, 2023, details alleged or known CSA-related incidents involving 23 child survivors associated with BIA in Kenya between 2013 to 2019. IFC's related [Management Report and Management Action Plan](#), dated March 7, 2024, describes, for example, that in 2016, "during annual supervision, IFC received information from Bridge about four cases of child sexual abuse and engaged Bridge about them."

² The BIA Project originated and underwent due diligence under OPIC. The BIA Project was active and monitored under both OPIC and DFC. When referencing time-specific actions (e.g., screening), this report will refer to the agency that was operational at the time of the action (i.e., OPIC or DFC).

3. APPRAISAL SUMMARY

3.1 Methodology

The IAM is applying the Office of Accountability's [Operational Guidelines Handbook for Problem-Solving and Compliance Review Services \(2014\)](#) (also referred to as the OPIC Office of Accountability Handbook) to the Request.

Following an Eligibility Determination and an Assessment that refers a request to IAM's compliance function, the IAM undertakes an Appraisal to determine whether a full compliance review is the appropriate course of action. The Appraisal process aims to assess the potential benefits of conducting a full review by examining the available project-related documentation, consulting relevant OPIC or DFC staff, and engaging with other stakeholders as necessary. The Appraisal process identifies OPIC and/or DFC policies that are relevant to the Request but does not evaluate DFC's compliance with them.

For this Appraisal, the IAM used the following criteria contained in the OPIC Office of Accountability Handbook:

- How likely is it that the Project's environmental or social impacts have harmed or may harm Affected Stakeholders?
- How strong are indications that the manner in which OPIC [or DFC] implemented its environmental and social policies and procedures is related to the harm or risk of future harm?
- To what extent has OPIC [or DFC] been working with the Client to address the underlying causes of harm?

The next section summarizes the views communicated to the IAM Director by the Requesters, the former OPIC/DFC Client, and DFC's Management.

3.2 Summary of Views

Requester's perspective

The Requesters allege CSA and harassment by a teacher while attending one of the BIA schools in Kenya. They indicate that BIA was aware of the CSA cases but failed to adequately address the situation, assist Requesters to report the incidents to the police, and/or put in place the appropriate mechanisms to address CSA in their schools. They indicate that the harm to the Requesters has not been remediated and they are interested in seeking redress through the IAM for the harm they suffered.

The Requesters ask to be involved in the ongoing DFC CEO-requested compliance review of OPIC's and DFC's implementation of their policies and procedures in relation to the BIA Project, and to ensure they receive appropriate remedy. The Requesters also ask for their identities and any other identifying information to be kept strictly confidential throughout the process. Their concerns relate to their potential stigmatization as survivors of sexual and gender-based violence (SGBV),³ as well

³ The Requesters referred to both child sexual abuse (CSA) and the broader term sexual and gender-based violence (SGBV).

as for their personal security. The survivors wish that all communication in relation to this complaint be directed toward their CSO Representatives.

The Requesters seek the following remedies:

- Include and engage the Requesters in the ongoing IAM investigation and future remedy discussions.
- Provide financial compensation for the harm caused.
- Provide financial support for counselling services to the Requesters and their guardians.
- Provide fees and expenses for school and/or vocational training.
- Support the Requesters to access justice in national courts, including by providing legal fees, safety measures, and by acting as observer.
- Direct BIA to bear responsibility and publicly acknowledge and apologize for the harm that it caused to the Requesters and provide a remedial framework/policy for the same, including a framework to prevent and respond to risks of SGBV cases in their schools.
- Ensure that DFC Management heightens its oversight of its private sector investments in Kenya by ensuring its clients have a SGBV policy and actively monitoring the implementation of such policies during the investment period.

The Request by the former Bridge pupils is presented in Annex 1, in which names and other identifying information have been removed.

Former DFC Client Perspective

In a March 27, 2024, letter to the IAM Director and through an in-person meeting on June 17, 2024, in Kenya, a Bridge/New Globe representative highlighted the role of Bridge in providing access to quality and safe educational opportunities for pupils from low-income backgrounds. The March 27, 2024, letter notes that, since its founding in 2008, Bridge has maintained rigorous safeguarding policies and practices, prevention strategies, monitoring, and robust reporting mechanisms, thorough investigation protocols and stringent accountability measures. The Bridge/NewGlobe representative notes that these measures have resulted in schools which are significantly safer for children in their communities.

The same letter also notes that the IFC and BIA did not enter a confidentiality agreement to cover the CAO's work, and that IFC did not have awareness of sexual harassment or exploitation until the CAO raised this concern with IFC in 2020. The letter states that Bridge is fully supportive of independent review by the IAM and is committed to cooperate and facilitate all necessary processes.

In subsequent email communications with the IAM Director, including in September 2024, the Bridge/New Globe representative acknowledged that BIA was no longer a DFC Client, acknowledged a 2016 incident of sexual exploitation perpetrated by a teacher in one of the BIA schools, expressed concern that Bridge did not feel fully engaged by the IAM process, and lamented IAM's heavy reliance on IFC's CAO reporting in IAM's Assessment report and general approach.

The Bridge/New Globe representative requested that the IAM include the undated "IAM Assessment Report: Bridge Perspective," comprising a 2-page document received by the IAM on September 5, 2024, in full. This document, which is presented in full in Annex 2 of this Appraisal report, states, *inter alia*, that "nothing in the OPIC legal documents, diligence, requirements,

reporting requirements or questions ever related to safeguarding. DFC did not include child safeguarding as a risk in its review of the risks related to work in K-12 education, or in its specific due diligence on the loan Bridge in 2013, or throughout the supervision of the loan through 2022 until the IAM inquired about these risks in 2024.”

DFC Management Perspective

On March 21, 2024, following the DFC CEO’s March 19, 2023, request for the IAM to conduct a compliance review, DFC issued a [communiqué](#) expressing profound concern and sadness on learning of the allegations of abuse regarding the BIA Project detailed in the report by IFC’s CAO. The CEO requested that DFC’s Office of Accountability (OOA) conducts a robust, independent review of the OPIC/DFC overall experience with the BIA project.

In a subsequent note provided to the IAM, which is reproduced as Annex 3, DFC indicates that it “recognizes that the Bridge International Academies project was diligenced and approved by OPIC, a much smaller organization using the best practices and utilizing the resources it had available at that time. Since DFC was launched in 2019, we have grown capacity significantly, from approximately 360 to nearly 700 today, including in the Office of Development Policy, which has grown from a staff of 28 to almost 80 professionals who review our projects for environmental and social risks as well as developmental impacts. DFC has continued to develop and enhance its social and environmental standards, as well as its approach to investing in complex, underserved markets and has invested in growing its capacity to conduct due diligence and monitoring of projects.” DFC’s note also highlights that it “remains committed to learning from the review’s findings, including understanding any identified shortcomings in OPIC’s processes and procedures that may have relevance today.”

4. APPRAISAL CONCLUSION

4.1 Relevant Policies

The OPIC policy relevant to the request is the 2010 Environmental and Social Policy Statement (ESPS). The ESPS adopts, as a standard for the environmental and social review process, the IFC Performance Standards on Social and Environmental Sustainability and IFC Industry Sector Guidelines, including any revisions to those standards. The BIA Project was developed in the context of the 2012 IFC Performance Standards (PS). These establish a framework for clients to assess, avoid and mitigate relevant social risks that are related to a project. Specifically, PS1 (Assessment and Management of Environmental and Social Risks and Impacts) and PS4 (Community Health, Safety, and Security) include requirements related to the assessment and management of social risks and impacts on communities and vulnerable groups in particular.

4.2 Initial Findings

Applying the criteria identified in Section 3.1 (Methodology), the IAM’s initial review of OPIC’s and DFC’s records and discussions with DFC staff provided the following initial findings:

- i. How likely is it that the Project’s environmental or social impacts have harmed or may harm Affected Stakeholders?

- a. The Requesters’ CSA allegations refer to incidents which appear to be contemporaneous to sexual exploitation and/or similar incidents noted in Bridge/NewGlobe’s communications with the IAM, and/or alleged or known CSA cases highlighted in CAO publications and associated IFC management responses relevant to IFC’s investment in BIA or NewGlobe. This information supports that there were occurrences of CSA (harm) related to the BIA Project, while it was an active OPIC project.
- ii. How strong are indications that the manner in which OPIC or DFC implemented its environmental and social policies and procedures is related to the harm or risk of future harm?
 - a. BIA Project files include information identifying risk of child abuse related to the BIA Project. Such information can guide OPIC and DFC to trigger and implement relevant CSA risk mitigation strategies, including Client commitments and actions, and conduct monitoring to provide assurance to OPIC and/or DFC that the Client is appropriately managing CSA risk and responding to any related harm.
 - b. As indicated from discussions with DFC staff, and information provided by OPIC/DFC’s former Client, through due diligence and monitoring, OPIC and DFC do not appear to have identified the rural and poor urban children attending the BIA schools in Kenya as vulnerable and/or at risk of CSA. The identification of such vulnerabilities and risks influences the application of safeguarding policies and procedures, in turn influencing how OPIC and/or DFC can influence project performance related to CSA harm.
 - c. As indicated in discussions with DFC staff, through a preliminary review of records, and considering information provided by Bridge/NewGlobe, OPIC and DFC do not appear to have requested, reviewed, or monitored the BIA Project’s CSA-related policies, procedures, or performance. Engaging the Project/Client and monitoring CSA risks can contribute to the mitigation of risk of CSA harm.
- iii. To what extent has OPIC/DFC been working with the Client to address the underlying causes of harm?
 - a. The initial review of OPIC and DFC records, discussions with DFC staff, and information provided by Bridge/NewGlobe do not show that OPIC or DFC worked with its Client to identify or address the underlying causes of CSA harm.

4.3 IAM Determination and Next Steps

An IAM Appraisal determines whether a full compliance review is the appropriate response to an eligible request that has been assessed and referred to IAM’s compliance function. The Appraisal process identifies OPIC and/or DFC policies that are relevant to the incoming request but does not evaluate DFC’s compliance with them.

The IAM’s initial findings provide strong indications that the manner in which OPIC or DFC did or did not implement their applicable environmental and social policies and procedures, including monitoring, in relation to CSA harm is related to the harm alleged by the Request. Therefore, the IAM Director determines that a full compliance review of the BIA Project is merited.

As called for by the Requesters and for more efficient use of IAM resources, this review will be merged with the ongoing DFC CEO-requested full compliance review. The previously disclosed [terms of reference](#) issued by the IAM for the DFC CEO-requested full compliance review will continue to apply to the merged review.

The decision to conduct a full compliance review means that the IAM will generate and present its detailed findings, conclusions, and recommendations, and provide an opportunity for fact checking by and engagement with Management, the Requesters, and other relevant parties during the upcoming Compliance Review phase of the BIA Project. Once completed, DFC will have an opportunity to develop a Management Response and/or Action Plan.

An updated estimated schedule for the merged Compliance Review of the BIA Project is tabulated below. It was adjusted from a previously published schedule to allow for the time which was required to procure external consultants to assist the IAM with its compliance review. Also, the revised schedule takes into account the IAM’s available staff resources, a growing case load, and the need to finalize the IAM’s policy and procedures for DFC Board review and approval.

| IAM's milestones relating to the BIA case | Date | Publish |
|--|-------------|----------------|
| CEO requests compliance review of BIA project | 19-Mar-24 | Yes |
| IAM acknowledges and accept CEO requests, initiates full compliance review | 19-Mar-24 | N/A |
| IAM generates Terms of Reference for the CEO-requested compliance review | 29-Mar-24 | Yes |
| IAM recruits and conducts kick-off meeting with external consultants | 30-May-24 | N/A |
| IAM receives request from former Bridge school pupils about same Bridge project | 12-Jul-24 | Yes |
| IAM determined Request from former Bridge pupils to be eligible for IAM services | 7-Aug-24 | N/A |
| IAM generates Assessment report related to former Bridge pupils' request | 20-Aug-24 | Yes |
| IAM generates Appraisal report related to former Bridge pupils' request | 10-Oct-24 | Yes |
| IAM generates Draft Compliance Review Report, requests Management review | 7-Feb-25 | N/A |
| Management provides factual review and comments to IAM (15 business days) | 28-Feb-25 | N/A |
| IAM finalizes Compliance Review and circulates to Management and Board | 10-Mar-25 | Yes, later |
| IAM announces completion of its compliance investigation | 10-Mar-25 | Yes |
| Management provides its response and action plan to IAM and Board (15 days) | 31-Mar-25 | Yes, later |
| Board approves IAM report and Management's action plan (15 business days) | 21-Apr-25 | N/A |
| IAM publishes Compliance Review Report and Management response and action plan | Promptly | Yes |
| IAM translates Compliance Review Report or Summary, and publishes once available | Promptly | Yes |
| IAM starts monitoring of Management's action plan | Updates | Yes |
| IAM will publish Management provided progress reports | Promptly | Yes |
| Version: October 10, 2024, N/A - Not Applicable | | |

Annex 1: Request for IAM Services (July 12, 2024)

July 12, 2024

The Director of the Independent Accountability Mechanism,
U.S. International Development Finance Corporation (DFC) 1100
New York Avenue, NW
Washington, DC 20527

Dear Mehrdad Nazari,

RE: Bridge Survivors Inclusion in the Investigation Process

We write to you as Accountability Counsel, Inclusive Development International, Oxfam International and Wangu Kanja Foundation (collectively as Representatives) on behalf of four (4) brave young ladies (Requesters), who are former pupils of Bridge International Academies Limited (Bridge), situated in in Nairobi Kenya. They are also survivors of child sexual abuse which they experienced in 2016 while in school, perpetrated by a teacher employed by Bridge. These four are among a larger group of former students who experienced similar abuse during their time at Bridge.

Bridge International Academies Limited is a low-cost chain of for-profit schools registered in Kenya, and was owned by NewGlobe Schools Inc, a corporation registered in Delaware, the United States of America. In 2013, the Overseas Private Investment Corporation (OPIC), which was succeeded by Development Finance Corporation (DFC) provided \$10 million in direct funding to Bridge International Academies, for the expansion and operation of 237 low-cost schools in Kenya. OPIC agreed to apply the International Finance Corporation's Performance Standards to the project.¹ The financial relationship continued until 2022 when Bridge repaid the loan.

In 2018, civil society organizations, aghast by the impact of Bridge schools in the region and the harm caused to students and community, wrote to OPIC raising their concerns and requesting OPICs responsible exit from Bridge. They also requested an exploratory meeting to discuss the way forward, including remedy for persons affected. There was no response to that letter.

The requesters experienced child sexual abuse and harassment by their teacher while attending Bridge at Bridge was aware of the sexual abuse cases but failed to adequately address the situation, including through sufficiently supporting the Requesters to report the incidents to the police station and/or put in place the appropriate mechanisms to address child sex abuse in their schools.

Today, the harm to the Requesters remains unremediated, and the Requesters are interested in seeking redress through the DFC's independent accountability mechanism for the harm they suffered as students at a Bridge school. DFC has already requested a compliance review of OPIC/DFC's implementation of its policies and procedures in relation to Bridge International Academies, and the requestors would like to be involved in this process.

¹ *Bridge International Information Summary, Section I (2023)*, available <https://www.dfe.gov/sites/default/files/2019-08/bridge-international-information-summary-2013.pdf>.

The Requesters want DFC's Independent Accountability Mechanism to investigate OPIC and DFC management's role and contribution to harms experienced by the Requesters in relation to its financing in Bridge, and ensure the Requesters receive appropriate remedy including²:

1. Include and engage the Requesters in the ongoing investigation by the Independent Accountability Mechanism of OPIC/DFC's investment in Bridge and in the remedy discussions with DFC Management that come next;
2. Provide for financial compensation for the harm caused by the Requesters;
3. Provide for financial support for counselling services to the Requesters and their guardians due to the trauma they experienced;
4. Provide school fees and /or vocational training and related expenses to the survivors;
5. Support the Requesters to access justice in national courts including legal fees, safety measures, and by acting as observer;
6. Direct Bridge to bear responsibility and publicly acknowledge and apologize for the harm that it caused to the Requesters, and provide a remedial framework/policy for the same, including a framework to prevent and respond to risks of SGBV cases in their schools; and,
7. Ensuring DFC Management heightens its oversight of its private sector investments in Kenya, by ensuring its clients have a SGBV policy, and actively monitor the implementation of such policy during the investment period.

The Requesters wish for their identities, including names, contact information and any other identifying information to be kept **strictly confidential** throughout the process. Their concerns relate to their potential stigmatization as survivors of SGBV, as well as for their personal security since Bridge Academies has been known to harass and intimidate those who challenge them. The survivors wish that all communication in relation to this complaint be directed towards the Representatives.

The Requesters are:

1. ,
2. ,
- 3; and,
- 4.....

We expect the DFC's Independent Accountability Mechanism to fulfill its mandate to address social concerns raised by people impacted by its projects. That means facilitating remedy when DFC's (or OPIC's) noncompliance contributes to harm.

We are happy to engage with you for further clarification and questions you may have. We enclose a copy of the representation agreement between our organizations and the Requesters. We look forward to hearing from you.

² This is a non-exhaustive list. We enclose a letter written by the Requesters and sent to World Bank Board for reference and insight on the remedies sought by the Requestors.

For email correspondence, please include the following:

Accountability Counsel Oxfam
International

Inclusive Development International Wangu
Kanja Foundation

Sincerely,
Representatives for the Requesters

Annex 2: BIA Perspective (received on September 5, 2024)

IAM Assessment Report: Bridge Perspective

Bridge supports the Independent Accountability Mechanism (IAM) compliance appraisal of the DFC environmental and social performance in accordance with the 2014 OPIC Handbook and encourages a thorough review to ensure that all parties adhere to the highest standards of accountability and child safeguarding and protection.

The IAM assessment report notes that the complaints raised are of the same nature as those examined in CAO's Bridge International Academies-04 compliance investigation, the findings and Management Action Plan of which were published in March 2024. Since 2020, Bridge has encouraged and offered support based on its longstanding work and commitment to IFC to enhance the institution's awareness of child safeguarding risk across industries, and shared best practices for both prevention of and response to child safeguarding risk.

Bridge has recognized child safeguarding as a founding principle and risk, and has always taken a zero tolerance approach to safeguarding. Since its founding in 2008, Bridge has maintained rigorous safeguarding policies and practices, prevention strategies, monitoring, robust reporting mechanisms, thorough investigation protocols and stringent accountability measures. This has resulted in schools that are significantly safer for children in their communities. Children's rights - how to recognize abuse and school staff's requirement to never commit abuse - has been part of every school staff training since December 2008, and was established in advance of launching the first Bridge school in January 2009.

Unfortunately, in 2016 there was a tragic incident of sexual exploitation in one of the schools perpetrated by a teacher. As soon as the abuse was reported, the initial safeguarding processes and procedures were swiftly actioned, led by the support office. If the complainants were among the students impacted, those students received the services the complainants are stating should have been provided. Bridge ensured immediate police reporting and broad community engagement regarding the incident, supported access to medical care and psychological counseling, and supported students to finish school and achieve strong marks in the national examinations so as to enable them to continue their studies after graduation.

Despite Bridge being focused since the very beginning on safeguarding, putting in place protocols, and minimizing the potential for incident, nothing in the OPIC legal documents, diligence, requirements, reporting requirements or questions ever related to safeguarding. DFC did not include child safeguarding as a risk in its review of the risks related to work in K-12 education, or in its specific due diligence on the loan Bridge in 2013, or throughout the supervision of the loan through 2022 --until the IAM inquired about these risks in 2024. Acknowledging that DFC did not recognize that there are child safeguarding risks in education (and other fields), does not mean Bridge did not; to the contrary, as detailed and evidenced in the documents shared with IAM, Bridge did recognize and address these risks.

Bridge's work to protect children has been recognized to meet global standards, as set forth by Keeping Children Safe, whose standards are used by FCDO, the UN and Saving the Children, and to exceed Kenyan law. Following a review of Bridge work in relation to child safeguarding, in both June and September 2021, IFC confirmed that Bridge was compliant with Performance Standard obligations related to GBV and sexual exploitation, abuse, and harassment.

We commend the IAM for taking on this issue and seeking to raise awareness within the DFC on the need for the Performance Standards to explicitly include reference to child safeguarding. This should include requirements for child safeguarding in both its public and private investments - and across all fields in which there is direct and indirect contact with children.

Bridge remains steadfast in its commitment to ensuring a safe learning environment, working in collaboration and partnership with the government and other stakeholders at local and national levels, to strengthen safeguarding policies and practices. Bridge Kenya is a founding member of the Child Safeguarding Association of Kenya (CSAK).

Annex 3: DFC Statement (October 9, 2024)

DFC Statement for Inclusion in Bridge Appraisal Report (October 9, 2024)

In 2013, the Overseas Private Investment Corporation (OPIC) provided a \$10 million direct loan to Bridge International Academies for the development and operation of affordable private schools in Kenya. The loan was fully repaid in 2022 to OPIC's successor, the United States International Development Finance Corporation (DFC).

In March of 2024, the International Finance Corporation's (IFC) Office of Compliance Advisor Ombudsman issued a report detailing abuse at Bridge International Academies and IFC's failure to address. In response to the allegations of abuse, DFC CEO Scott Nathan requested that DFC's Independent Accountability Mechanism (IAM) conduct a robust, independent review of the OPIC/DFC overall experience with the Bridge International Academies project and instructed DFC staff to cooperate fully with the review. The request for review was also intended to see what, if any, lessons could be learned to make sure DFC has put in place appropriate policies, procedures, analysis, and monitoring for DFC-supported projects.

DFC recognizes that the Bridge International Academies project was diligenced and approved by OPIC, a much smaller organization using the best practices and utilizing the resources it had available at that time. Since DFC was launched in 2019, we have grown capacity significantly, from approximately 360 to nearly 700 today, including in the Office of Development Policy, which has grown from a staff of 28 to almost 80 professionals who review our projects for environmental and social risks as well as developmental impacts. DFC has continued to develop and enhance its social and environmental standards, as well as its approach to investing in complex, underserved markets and has invested in growing its capacity to conduct due diligence and monitoring of projects.

DFC appreciates the work undertaken by the IAM thus far in conducting an independent review of the OPIC loan to Bridge International Academies. DFC looks forward to the IAM conducting a full review of this project and to the IAM's conclusions and recommendations. DFC remains committed to learning from the review's findings, including understanding any identified shortcomings in OPIC's processes and procedures that may have relevance today.

DFC looks forward to the final report from the IAM and will continue to fully cooperate with the ongoing review and any related proceedings.