

Preliminary draft - subject to review



TRANSPARENCY POLICY

DRAFT

Responsible Office: Office of the Chief Development Officer

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1. INTRODUCTION

DFC Introduction

1.0 The U.S. International Development Finance Corporation (DFC) is the United States of America’s development finance institution. DFC invests with the private sector to finance solutions to address many of the most critical challenges facing the developing world. We invest across sectors including energy security, healthcare, food security and agriculture, critical infrastructure, and technology projects. DFC also provides financing for small businesses, including women entrepreneurs, that are the engines of economies and create jobs in emerging markets. DFC investments adhere to high standards and respect the environment, human rights, and worker rights.

Statement of Purpose and Scope

1.1 This policy sets out the principles that guide DFC’s proactive public disclosure of programmatic and project-related information, as well as the scope and type of information and data that it routinely discloses. Information and data disclosure related to interagency cooperation and congressional oversight is not subject to this policy.

1.2 In accordance with the U.S. Office of Management and Budget’s (OMB) guidance on the collection of U.S. foreign assistance data ([Directive 12-01](#)), DFC is committed to transparency and accountability to promote responsible stewardship of federal resources, operational efficiencies, engagement with stakeholders, development effectiveness, and public trust.¹ DFC strives to make information easily accessible by using metrics that are defined and align with other types of industry reporting.

1.3 DFC will not disclose information that would violate its mission-critical commitment to the protection of business confidential information. To do so would be contrary to the legitimate expectations of clients, who need to be able to disclose to DFC detailed and/or sensitive information without fear of compromising the confidentiality of their projects or other proprietary information that would limit market competition. DFC will also not disclose information that is protected under the law, or that would be infeasible for DFC to collect systematically and reliably.

1.4 It is essential that the benefits of transparency are balanced against the benefits of safeguarding, promoting, and preserving internal deliberative processes that can lead to more informed and collaborative decision-making, as well as more thoughtful DFC policies.

Implementation and Oversight

1.5 This policy is implemented and overseen by the Chief Development Officer (CDO), supported by an internal Transparency Committee, consisting of representatives from different areas of the

¹ DFC discloses information regarding its investment activities and internal operations to contribute to the transparency of foreign assistance flows that will enable the USG to pursue the following objectives of Directive 12-01: make foreign assistance more useful for development; increase the efficacy of USG foreign assistance; and increase international accountability.

institution. The composition and membership of the Transparency Committee will be always publicly available in DFC's website.

- 1.6 The Policy will be reviewed in full every two years, or as otherwise necessary, to incorporate any changes to disclosure requirements, including those of the United States Government (USG), particularly where new requirements exceed the transparency provisions herein.

2. LEGAL DISCLOSURE REQUIREMENTS

- 2.0 The [Better Utilization of Investments Leading to Development Act of 2018 \(BUILD Act\)](#) mandates that DFC “shall make available to the public on a regular basis information about support provided by the corporation under title II and performance metrics on a country-by-country basis.” The BUILD Act also requires that at the end of each fiscal year DFC submit a complete and detailed report of its operations during that fiscal year to the appropriate congressional committees, including an assessment of:

1. Economic and social development impact
2. Extent that Corporation operations are compatible with the development assistance programs of the United States
3. Institutional linkages with other relevant USG department and agencies
4. Compliance of projects under Title II with human rights, environmental, labor, and social policies

All of DFC's Congressional Reporting Requirements are contained in DFC's Annual Report (*see* section 5).

The BUILD Act also requires that projects likely to have significant adverse environmental or social impacts that are sensitive, diverse, or unprecedented are assessed for their environmental and social impact, and the assessments are made public prior to a DFC Board vote.²

- 2.1 The [Foreign Aid Transparency and Accountability Act of 2016 \(FATAA\)](#) establishes a range of objectives related to monitoring and evaluation of DFC's portfolio.³ [OMB's implementing guidance](#) (OMB M-18-04) requires agencies to publicly report evaluations. It requires DFC to report on the implementation of monitoring and evaluation policies and practices outlined in the Memorandum through the agency's annual budget submission process.
- 2.2 The [Federal Funding Accountability and Transparency Act of 2006 \(FFATA\)](#) mandates U.S. government agencies to monitor, evaluate, and report on U.S. foreign assistance programs and share these data with the public. The [Digital Accountability and Transparency Act of 2014 \(DATA Act\)](#) established standards for financial data and a new reporting process for agencies to improve data quality, transparency, and accountability. DFC provides information about its investments on multiple U.S. Government websites including [ForeignAssistance.gov](#) and [USASpending.gov](#).

² 22 USC 9671(e), See also Section 4.2.

³ Section 3(b) and 3(c)(2)(A-M)

2.3 DFC contributes data to the Treasury Department’s Foreign Credit Reporting System ([FCRS](#)), which consolidates and publishes foreign credit data.⁴ This and other data is factored and published to the Organization for Economic Co-operation and Development (OECD) Creditor Reporting System (CRS).

3. TRANSACTION-LEVEL DATA

Disclosure of Investments Post-Approval

3.0 DFC provides information on business activities with active clients after legal agreements have been signed. DFC maintains a [database](#) on DFC.gov, providing information on every active transaction in its portfolio, including a summary of their expected environmental, social, and developmental impacts. Transactions are searchable by country and region, year, project name, and type of investment. These resources are updated approximately 45 days after the end of each quarter.

3.1 Data on individual investments are also reported in DFC's Annual Report, including funds’ investments (see Section 5).

3.2 DFC provides additional information on investments made through DFC-supported Financial Intermediaries, Credit Facilities, and Investment Funds, when such investments are \$10 million or more. DFC also provides additional information on all investments that are high-risk from the environmental and social perspectives, regardless of their amount.

Disclosure of Investments Pre-Approval

3.3 For transactions that require Board approval, DFC publicly discloses the project information summaries at least seven (7) days in advance of the Board meeting or action (see Section 5).

3.4 DFC provides advance notice of potential projects considered to have significant adverse environmental and/or social impacts that are irreversible, sensitive, diverse, or unprecedented (Category A). The environmental and social impact assessments for Category A projects are disclosed to the public on DFC's website. Investments classified as Category A are disclosed prior to the signing of legal agreements. For more specific information on this and DFC’s approach to environmental and social impacts please see [DFC’s Environmental and Social Policy and Procedures](#) (ESPP).

4. APPROACHES

Development Impact

⁴ [2 TFM 4500](#)

4.0 DFC discloses an overview of its [impact management tools](#) on its website.

Environmental and Social Impact

4.1 DFC's [Environmental and Social Policy and Procedures](#) address DFC's commitments for environmental and social screening, review, risk mitigation, and monitoring that are designed to help ensure the environmental and social sustainability of DFC-financed projects. The ESPP also includes guidance for what DFC Clients need to prepare, submit, and implement. These environmental and social requirements described in the ESPP apply to all DFC projects and clients supported through insurance, reinsurance, direct loans, investment guaranties and equity, including support through financial intermediaries. The ESPP is published on DFC's website.

5. INSTITUTIONAL/CORPORATE INFORMATION

5.0 It is the policy of the [Board of Directors](#) (Board) to provide as much public visibility into its practices and decisions as possible while honoring sensitive and business confidential information. DFC's Board hosts semiannual public hearings. DFC posts notices and agendas of upcoming Board meetings seven (7) days in advance, summaries of all projects approved by the Board, and approved Board Resolutions. Non-business confidential summaries of transactions put forth for approval by DFC's Board are posted to DFC's public website seven (7) days prior to the Board's final consideration. Directly following each Board meeting, a summary of the Board's actions is posted on DFC's website and released to the press and public. DFC also publishes information on DFC's Corporate Bylaws.

5.1 DFC's [Annual Report](#) includes the Agency's financial statements, a complete list of investments for the year, and data and analysis of development impacts at the portfolio level, as well as on a regional (and country specific basis, where possible) and sector basis, together with a narrative of agency priorities.

6. FEEDBACK

6.0 DFC recognizes that meeting the reasonable information needs of the public is critical to its effectiveness and public trust. To that end, DFC strives to be as transparent as possible while balancing all stakeholders' interests.

6.1 Additional feedback on ways DFC can improve transparency can be directed to transparency@dfc.gov.