HOW TO COMPLAIN ABOUT A PROJECT FUNDED BY THE U.S. INTERNATIONAL DEVELOPMENT FINANCE CORPORATION?

A Guide to the DFC Independent Accountability Mechanism (DFC-IAM)

If the U.S. International Development Finance Corporation has funded or supported the project that is causing you harm, you may be able to file a complaint with its accountability mechanism, the Independent Accountability Mechanism (DFC-IAM).

Get started: Understanding the DFC and DFC-IAM

WHAT IS THE DFC?

The U.S. International Development Finance Corporation (**DFC**) is the United States government's development finance institution. It became operational in 2020, by combining and expanding the functions of the Overseas Private Investment Corporation (**OPIC**) and USAID's Development Credit Authority. DFC provides financing and other support to private sector projects in developing countries, including through loans, equity investments, technical assistance, and political risk insurance.

WHAT IS THE IAM?

The DFC has an independent accountability mechanism: the Independent Accountability Mechanism (**DFC-IAM**). The DFC-IAM was established in 2020, replacing OPIC's Office of Accountability (which was established in 2005).

The DFC-IAM receives complaints related to the environmental and social impacts of DFC-supported projects. **If you are, or may be, affected by a DFC-supported project, you can file a complaint with the DFC-IAM.**

To file a complaint, you need to provide specific information about the issue you are experiencing, as outlined in the "File a complaint" section.

Note, that if your complaint is found to be eligible, the IAM has two functions to try to resolve the complaint: **dispute resolution** (also known as problem solving) or **compliance review**. You can decide which process you would like your complaint to enter if found eligible. If you want to try both dispute resolution and compliance review, you must typically use dispute resolution first. The two functions cannot be done simultaneously. You can learn more about the difference between dispute resolution and compliance review, and which option is better for your complaint on the homepage of this guide.

DISPUTE RESOLUTION

The DFC-IAM's voluntary dispute resolution process, also referred to as "problem-solving", aims to resolve issues collaboratively. During the dispute resolution phase, the IAM team facilitates information sharing, joint fact-finding, mediation, dialogue and negotiation between the affected communities, the DFC client, and potentially the DFC itself, with the goal of reaching mutually agreeable solutions to the issues raised in the complaint.

Dispute resolution is a voluntary process and depends on the willingness of all parties to participate. If an agreement is reached, the IAM will formalize it and monitor its implementation. If an agreement is not reached, or is partially reached, the complaint may proceed to compliance review.

COMPLIANCE REVIEW

At the DFC-IAM, the fact-finding investigation process is called "compliance review". During the compliance review, the IAM investigates whether DFC has complied with its environmental and social policies, and whether any non-compliance has contributed to harm to the community. The IAM then prepares a compliance report with findings and recommendations. Recommendations may include remedial actions and/or steps needed to prevent future non-compliance with DFC's policies.

DFC Management is required to respond to the report and propose actions to address the findings. Once approved by the Board, the IAM then monitors the implementation of these actions.

File a complaint: How to make your case to DFC-IAM?

CAN YOU COMPLAIN TO DFC-IAM?

Before filing a complaint, ask yourself the following questions. If your answer is YES to all of the questions, then you can complain to the DFC-IAM.

Project: Is the project supported by the DFC?

> The IAM accepts complaints about all DFC-supported projects for which DFC has not exited its financial involvement. If the complaint is filed before the project has been approved, the DFC-IAM will refer the complaint to DFC Management for resolution (and inform the DFC Board). If the complaint is filed after the DFC exits the project (up to two years after the exit date),
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> The DFC-IAM may accept the complaint, if:
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> 1. There are compelling reasons why the request could not be made before the DFC Exit;
> 2. All of the other eligibility criteria are met;
> 3. After consultation with Management; and

4. If the IAM considers that accepting the request would be consistent with IAM's mandate.

Tip: You can check a project's status and closing date on the DFC's project page, via a Freedom of Information Act (FOIA) request, or by contacting the DFC-IAM directly for help.

Impact on you: Is the project causing you harm (or could it)?

The DFC-IAM accepts complaints from:

- One or more project-affected people, communities, or workers who are experiencing (or at risk of experiencing) harm as a result of an DFC-supported project.
- Authorized representatives can file a complaint on behalf of affected individuals or communities.

Important: Complaints cannot be submitted anonymously, but you can request confidentiality regarding your identity or sensitive information. If you fear retaliation, notify the DFC-IAM immediately to discuss protective measures.

Environmental and social harm: Is the harm (or anticipated harm) related to environmental and social impacts (including breaches of human and labor rights) caused by the project?

Attempted resolution: Have you tried addressing the issue?

The DFC-IAM encourages, but does not require, complainants to attempt to resolve concerns with DFC or the client before submitting a complaint to the DFC-IAM. If you did not attempt to resolve the issue, we recommend that you explain why (for example, fear of retaliation, communication barriers, or bad experiences with project stakeholders).

COMPLAINT TEMPLATE

The DFC-IAM has developed a complaint template to make it easier to submit a complaint to the IAM. You do not need to use this template, but it may provide a practical starting point for your complaint. Once filed, the DFC-IAM will acknowledge receipt of your complaint.
Download complaint letter

COMPLAINT FILING CHECKLIST

Download checklist

- ☐ **Format:** Submit your complaint in writing via email or postal mail. There is no specific format required. Complaints may be written in any language.
- ☐ **Complainant details:** Your complaint should include the name of each person or organization filing the complaint, as well as contact details for key community representatives. If you have a representative, include signed written authorization providing authority for the representative to represent you.
- ☐ **Project details:** Provide the name and location of the DFC-supported project, along with any additional details (e.g. sector, company name, or project name). You can find information about projects on the DFC Project Page, via a Freedom of Information Act (FOIA) request, or through the DeBIT tool (a database you can search).

- ☐ **Description of harm:** Explain the harm you are experiencing or fear, supported by facts and evidence.
- ☐ **Confidentiality:** Indicate if you require confidentiality due to fear of reprisals or for other reasons.
- ☐ **Optional:**

  Including the following can strengthen your complaint:

  - Any efforts you have made to resolve the issues with the DFC or its client (or if you haven't made those efforts, why not).
  - Choice of function: Indicate whether you prefer dispute resolution (known as problem-solving), compliance review, or both.
  - An explanation of how the DFC has failed to comply with its Environmental and Social Policies and Procedures.
  - Your preferred outcomes or remedy.
  - Additional supporting material: maps, photos, media reports, copies of communications (even if they are unanswered) etc.
  - Your preferred communication method (e.g. email or post).
  - Any concerns about risks of retaliation or security issues.

STRENGTHEN YOUR COMPLAINT BY REFERENCING DFC POLICIES

When filing your complaint to the DFC-IAM, you may want to reference DFC policies that were violated. Environmental and social safeguard policies play an important role in your complaint. These safeguards are rules and policies designed to identify and mitigate risks associated with DFC activities, with an overarching goal of preventing environmental and social harms. Understanding these safeguards is essential for anyone seeking to hold banks accountable for harms associated with their investments.

The DFC-IAM receives complaints related to all environmental and social aspects of DFC operations, including concerns that the DFC has failed to comply with its Environmental And Social Policy and Procedures and/or the project-specific provisions of its Transparency Policy, which are explained below.

NOTICE: Including references to these policies is **optional** but can strengthen your complaint by identifying clear grounds for DFC's accountability.

DFC POLICIES

Environmental and Social Policies and Procedures (ESPP)
Updates became effective April 2024

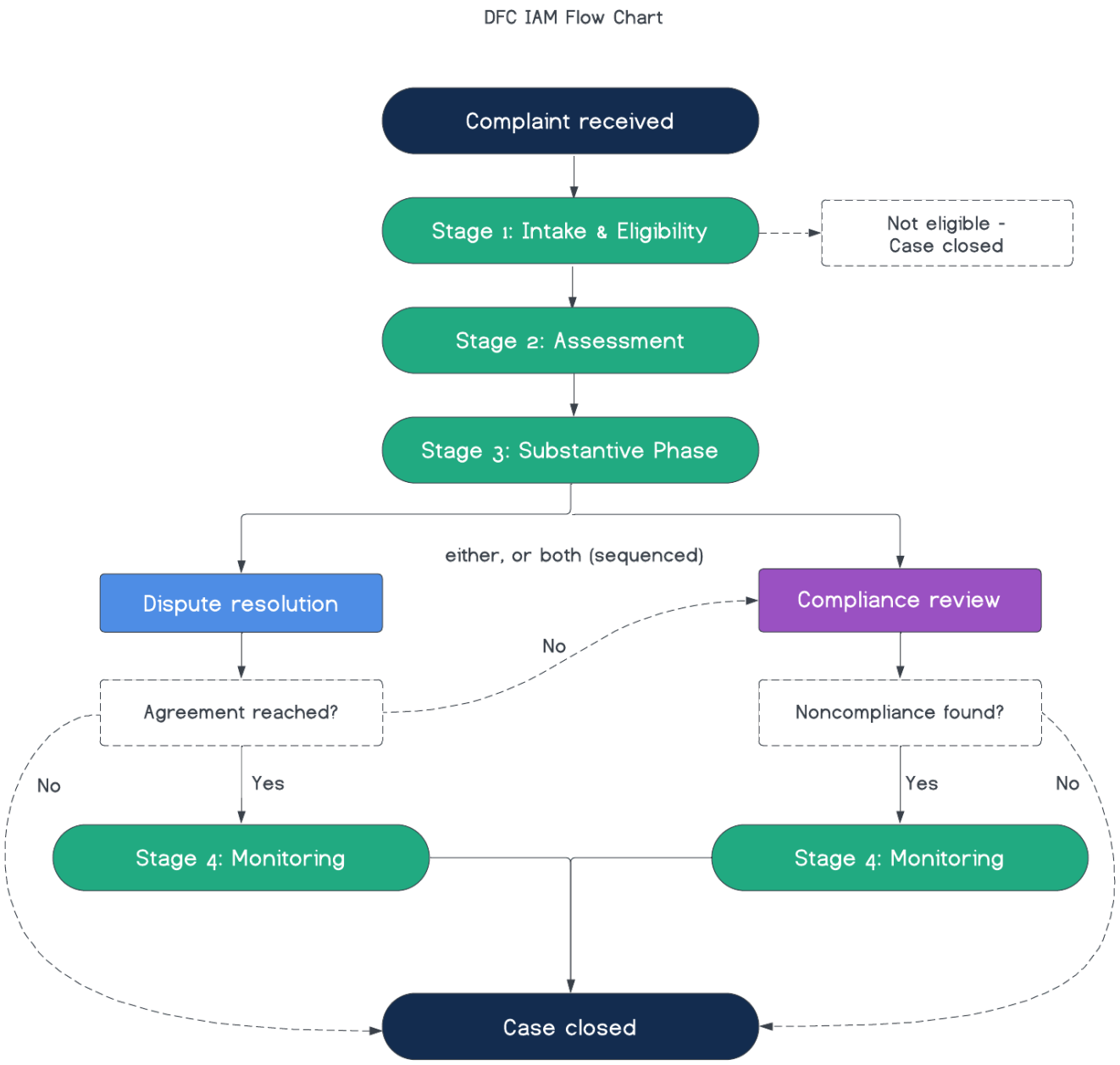
The ESPP applies to all projects, subprojects, and client operations financed through DFC's insurance, loans, and equity investments, but does not apply to technical assistance provided by the DFC.

- As a baseline, the ESPP requires that projects financed by the DFC comply with the International Finance Corporation Performance Standards on Environmental and Social Sustainability (IFC PS) and the World Bank Group's Environmental, Health, and Safety (EHS) Guidelines. While the DFC-IAM's policy says that the IAM does not directly make findings about whether a project complies with the IFC Performance Standards or the EHS Guidelines, you can argue that a clear violation of those standards result in a violation of the DFC's Environmental and Social Policies and Procedures, section 2, which is within the DFC-IAM's scope. The IFC PS are described in detail on the IFC Compliance Advisor Ombudsperson page of this Guide, and the EHS Guidelines are summarized on the World Bank page of this Guide.
- The ESPP also specifically requires the DFC to:
  - Screens proposed projects as early as possible to identify the risk of environmental and social harm (including human rights and labor violations);
  - Decline support for projects that are categorically prohibited (Appendix A), fail to address environmental and social issues in a satisfactory manner and will not meet the requirements of the ESPP within a reasonable timeframe, will have unacceptable residual impacts, will not comply with the host country's environmental and social laws and regulations, and/or do not respect human rights and labor rights;
  - Evaluate whether environmental and social risk information provided by the client is adequate, accurate, objective, and appropriate;
  - Ensure that there are appropriate plans and systems in place to manage those risks, taking into account the project information provided as well as the client's capacity and prior performance regarding the management of environmental and social risks;
  - Prepare and disclose project information summaries that contain environmental and social information for each Project; and to
  - Monitor and supervise the project's compliance with the ESPP throughout its lifecycle.

Transparency Policy
Effective December 2023

DFC's Transparency Policy reinforces requirements in the ESPP for the disclosure of information about high risk projects (before Board approval). In particular, the environmental and social impact assessments for "Category A" (high risk) projects are required to be disclosed "on DFC's public website for a designated comment period of not less than 60 days prior to DFC support."

Complaint process: What happens after submitting a complaint?



Stage 1: Intake & Eligibility

After filing your complaint, the DFC-IAM will acknowledge receipt of your complaint and review it to determine whether it meets their eligibility criteria. The IAM will assess:

- **Project:** The complaint must be related to a project supported by the DFC.
- **Harm:** The complaint must relate to environmental and/or social harm caused or likely to be caused by the DFC project.
- **Impact on the complainant(s):** The complainant(s) is/are or may be affected by the environmental and/or social impacts described in the complaint.

- **Timing**: The complaint will be found eligible if the project has been approved by the DFC and the DFC remains financially involved.
  - If the complaint is filed before the project has been approved, the DFC-IAM will refer the complaint to DFC Management for resolution (and inform the DFC Board).
  - If the complaint is filed after the DFC has exited the project, for up to two years after exit, the DFC-IAM may find the complaint eligible if:
    - There are compelling reasons why the request could not be made before the DFC Exit;
    - All of the other eligibility criteria are met;
    - After consultation with Management; and
    - If the IAM considers that accepting the request would be consistent with IAM's mandate.

The DFC-IAM makes the final decision on eligibility. If your complaint is deemed eligible, IAM will proceed to the assessment stage and post a summary of the complaint publicly unless confidentiality is requested.

If your complaint is found ineligible, the DFC-IAM will close the complaint file and inform you in writing about this decision. The DFC-IAM will only post limited information about your complaint on its website (subject matter of the complaint, date of receipt, and location, but excluding any client details), as well as the basis for the ineligibility decision.

Stage 2: Assessment

All eligible complaints will then enter an assessment phase. In this stage, the DFC-IAM will develop its understanding of the complaint, engage with the parties, identify local communities and stakeholders, and decide how it will try to solve the issues raised by the complaint.

Assessments at the DFC-IAM are flexible, and can include a review of DFC files, meeting interested parties, visiting the project site, and holding public meetings in the project area. The DFC-IAM will communicate its plans with you during this stage.

The aim of the assessment phase is to summarize all the information the DFC-IAM has gathered, and provide parties with the choice to enter either dispute resolution or compliance:

- If the parties agree to undertake dispute resolution, the complaint will enter that stage next.
- If the parties do **not** agree to a dispute resolution process, the complaint will enter compliance.

The DFC-IAM will speak to you about which option you prefer.

This stage will end with an assessment report, which will summarize the information gathered and note whether parties have agreed to a dispute resolution or if the complaint will be entering compliance.

During this assessment stage, the DFC-IAM is not trying to resolve the substance of the issues raised by the complaint; however, it may offer the parties the opportunity to engage directly with one another to try to come to a solution if there appears to be the possibility of doing so. If the issues are resolved in this way, and if the complainants agree, the DFC-IAM will issue an assessment and conclusion report to close the case.

Stage 3: Substantive Phase

All complaints that have been assessed and not closed should then enter a substantive phase. As mentioned, at the DFC-IAM you have the option to choose either **dispute resolution** or **compliance review** as the next step, or do both (with dispute resolution coming first).

DISPUTE RESOLUTION

Dispute resolution is a voluntary process where the DFC-IAM helps facilitate a “problem-solving” process between you (the complainant), the client (the organization implementing the project), and the DFC if desired.

This process can involve dialogue and negotiation, mediation, information sharing, or joint fact-finding. This process can and should be designed and implemented together. The aim of a dispute resolution is to reach an agreement between all the parties, and find a mutually agreeable solution to your concerns.

Voluntary: Since dispute resolution is voluntary, any party can choose not to participate and participation requires consent from all involved. If parties agree to participate, communities can share their concerns about the project directly with the DFC’s client (and possibly the DFC itself), and advocate for specific solutions to their concerns.

Outcome: If the parties reach an agreement, the DFC-IAM will help them to formalize those solutions in a signed agreement and will monitor its implementation. If no agreement is reached, or if an agreement is not implemented, the case will be transferred to compliance. Upon completion of this phase, the DFC-IAM will prepare a report on the results of the dispute resolution.

For more details on the dispute resolution process, refer to the Terms of Reference for the IAM of the DFC.

COMPLIANCE REVIEW

If dispute resolution is not possible or not requested, DFC-IAM will conduct a compliance review. A compliance review is a fact-finding process where the DFC-IAM investigates whether the DFC followed its policies, including the ESPP, when financing the project.

The compliance phase consists of two steps:

Step 1: **Compliance Appraisal:**

The DFC-IAM first conducts a compliance appraisal to determine whether an investigation is necessary. The DFC-IAM looks for evidence/indications of environmental and/or social harm, indications that DFC has failed to comply with its environmental and social policies, and whether the alleged harm is connected to that potential non-compliance. The appraisal stage is not a full investigation, but rather an assessment of whether the issues are serious enough to warrant an investigation.

In addition, the DFC-IAM will also consider:

- If DFC has already exited the project: Could an investigation still be useful—for holding people accountable, learning lessons, or taking action to fix harm—even though DFC is no longer involved?

- If there are other legal or complaint processes happening: Will these processes resolve the issues, or interfere with the DFC-IAM process?
- If DFC Management has already responded: Has management shown that they have appropriately dealt with the concerns—or admitted they didn't?
- If management has promised remedial actions: Are the proposed actions, in DFC-IAM's view (after hearing from the complainants), good enough to address the issues?
- If there has been a previous complaint about the same project: The DFC-IAM will merge the complaints, or initiate a new compliance investigation only where the subsequent complaint raises new issues or new evidence is available.

At the conclusion of this process, an appraisal report will be issued and published on the DFC-IAM's website. If the DFC-IAM concludes that an investigation is warranted, a compliance investigation will be initiated. If an investigation is not warranted, the case is closed. Finally, in cases where the harm appears "limited" and "amenable to early resolution", the Director of the DFC-IAM may recommend that a decision to investigate is delayed/deferred to allow the DFC, the client, and the complainants to try to resolve issues directly.

Step 2: **Compliance Investigation**

If an investigation is warranted, the DFC-IAM will conduct a compliance investigation. As mentioned above, this is the compliance review phase, which is a fact-finding process where the DFC-IAM investigates whether the DFC has complied with its environmental and social policies, and whether such non-compliance has caused harm to the community.

After investigating, the DFC-IAM prepares an investigation report with its findings and recommendations for remedial actions, as well as steps needed to prevent future harm. DFC Management then has a specified period to respond to the report with an action plan, to be approved by the DFC Board. Once approved by the Board, the compliance report and the Management Action Plan are shared on the DFC-IAM's website.

For more details on the compliance review process, refer to the Terms of Reference for the IAM of the DFC.

Stage 4: Monitoring

If your complaint goes through a dispute resolution process and results in an agreement, or goes through a compliance review and a Management Action Plan is published, then the complaint will enter a monitoring phase. The DFC-IAM publishes monitoring updates, and the complaint is closed when commitments have been met.

DISPUTE RESOLUTION

If an agreement is reached, DFC-IAM will help the parties by monitoring the implementation of the agreement. The DFC-IAM will prepare and publish interim updates on its website every six months during this monitoring phase. Cases are closed once the DFC-IAM determines that the commitments made by parties have been implemented to the parties' satisfaction. If the parties fail to implement the key terms of an agreement, the case will be transferred to compliance review (if desired).

Once closed (or transferred), the DFC-IAM will produce and publish a conclusion report.

COMPLIANCE REVIEW

If the DFC was found to be non-compliant with its environmental and social policies, and a Management Action Plan was approved, the DFC-IAM will monitor the implementation of that Action Plan. As part of the monitoring process, the DFC-IAM will receive regular progress reports from DFC Management, and will publish these reports on the DFC-IAM's website and incorporate them into the IAM's annual public monitoring report.

The DFC-IAM will close the monitoring phase when it believes DFC has addressed the non-compliance, or that no further action is likely to be taken.

Upon closure, the DFC-IAM will prepare and publish a final monitoring and closure report.

Real stories of communities who have filed IAM complaints



Bridge International Academies, Kenya, Kenya

COMPLIANCE REVIEW

Assessing DFC-IAM's performance

COMPARISON TO BEST PRACTICE

✓

Independence: The DFC-IAM's reporting line is semi-independent from bank management; it reports to the Board. The DFC CEO, a member of DFC management, also sits on the DFC Board.

✗

Transparency: The DFC-IAM makes its assessment, final compliance, dispute resolution, and follow-up monitoring reports public. However, there remains some significant gaps: the DFC-IAM does not publish complaints in full (whether eligible or not), nor its eligibility decisions, offering only a limited summary of each.

✓

Remedy: The DFC-IAM can make recommendations for remedial measures to address areas of non-compliance and harm to communities.

A LOOK AT THE DATA

We do not yet have sufficient data in our Complaint Dashboard about the DFC-IAM to provide you with this analysis. Check back for updates in 2026.

POLICY RECOMMENDATIONS TO STRENGTHEN DFC-IAM

Complaint timing: The IAM should allow complaints filed before project approval to go through an IAM process instead of automatically forwarding the complaints to management.

Independence: The IAM Terms of Reference should require the DFC CEO to recuse themselves from all Board decisions concerning the IAM.

Expeditious consideration of compliance review reports: The Board should not delay in reviewing and approving compliance review reports, granting deference to the IAM's factual assessments.

Monitoring: IAM monitoring after compliance review should extend to see if all areas of non-compliance are addressed, and not just monitor the actions included in the Management Action Plan. Additionally, the DFC-IAM should explicitly commit to consulting with complainants during monitoring.

Contact DFC-IAM

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

To send complaints:

accountability@dfc.gov
Office of Accountability, Attn.: Director (Confidential)
U.S. International Development Finance Corporation
1100 New York Avenue NW
Washington DC 20527
USA

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Downloaded from https://accountabilityconsole.com/pathfinder/dfc-iam/ on 25 November 2026. Visit the website for the latest version.