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Via Electronic Mail

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Re: Response to Comments to DFC Notice on Form DFC-008

Dear Ms. DeAngelis, Ms. Amoako, Ms. Zendejas, Ms. Vesey, and Mr. Snape:

Thank you for taking the time to submit comments to DFC's Federal Register notice, "Notice of information collection; request for comment" published at 87 FR 78662 on December 22, 2022. This letter presents the U.S. International Development Finance Corporation's (DFC) response to the jointly submitted comments of Friends of the Earth, Accountability Counsel, Center for International Environmental Law, Bank Information Center, and Center for Biological Diversity.

The Development Outcomes Survey (DOS, DFC-008) is used by the Office of Development Policy to monitor a project's progress in meeting anticipated development outcomes and is one source for collecting information regarding compliance. DFC has multiple mechanisms and processes to ensure that projects are compliant and the DFC-008 is used in conjunction with other monitoring processes.

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The DFC-008 must strike a balance between obtaining relevant information from the submitter while accounting for the burden this collection poses to submitters. This iteration of the DFC-008 has been streamlined to be more user-friendly and to be less burdensome to submitters. These improvements also increase the quality and timeliness of the resulting information.

Expand Current Question: Q201

Commenters' Comments and Recommendation (bolded text is a suggested addition):

Around 1 million species face extinction in the next few decades and 10 percent of the earth's wilderness has been lost in the past two decades. Therefore, it is of the utmost that we ensure that DFC's projects do no harm to the earth's biological diversity.

Q201 Is the Project currently in compliance with all conditions in the DFC contract or consent with respect to environment, **biological diversity**, social impacts, health and safety?

DFC Response: DFC does not believe that this addition is necessary because biological diversity is captured under "environmental and social impacts" by default. DFC policy currently requires conducting due diligence with respect to a project's potential impacts on biodiversity aspects in accordance with the requirements of IFC Performance Standard 6¹ and requiring projects develop and implement mitigation measures in order to comply with IFC Performance Standard 6.

Expand Current Question: Q212

Commenters' Comments and Recommendation (bolded text is a suggested addition):

DFC should also be made aware of any injuries that occur at projects as this could indicate a failure to follow local or national regulations or best safety practices.

Q212 Have any accidents occurred that resulted in loss of **or injury to** human life or material impacts on the environment during the Reporting Period?

DFC Response: DFC agrees that notification of serious injuries would be beneficial to the agency while posing a moderate burden on the submitter and will incorporate the recommendation with modifications. See the below added language in italics.

Q212 Have any accidents occurred that resulted in loss of human life, *serious injuries (e.g., Lost Time Injuries, and/or near misses)* or material impacts on the environment during the Reporting Period?

Expand Current Question: Q213

Commenters' Comments and Recommendation (bolded text is a suggested addition):

¹ See [DFC's Environmental and Social Policies and Procedures](#) and [IFC Performance Standard 6](#)

Engagement is only meaningful if impacted communities are able to understand the information that is being given and fully communicate with the companies. Further, projects that respect the rights of project-affected

communities are only possible when communities are consulted early in the project development process and continuously throughout the project cycle. DFC must ensure that applicants have processes in place to ensure robust consultation and must acquire Free Prior and Informed Consent (FPIC) from affected communities.

Q213 Has the Project engaged with communities impacted by the Project (including disadvantaged and vulnerable groups) **in the local language** during the Reporting Period **throughout every stage of project design and implementation**?

DFC Response: DFC does not believe that these additions are necessary. This question is intended to measure engagement that has occurred during the reporting period and this is the relevant timing for all questions in the DFC-008. DFC evaluates whether engagement requirements have been met at time the relevant actions are conducted in the Project lifecycle, including at points during due diligence.

Expand Current Question: Q214A

Commenters' Comments and Recommendation:

To minimize risks to DFC and its investments, as well as affected communities, DFC should additionally require detailed information on complaints received.

[IF Q214=YES, ASK] Q214A Please describe the **nature and status of** the dispute or complaint and list steps being taken to resolve it **and attach supporting documentation**:

DFC Response: DFC does not believe that the additions are necessary. If the answer to Q214 is YES, then specific follow-up by a DFC analyst would take place.

Add New Question

Commenters' Comments and Recommendation:

Projects can often result in the loss of livelihoods, which should be made known. For example, with the gas development in northern Mozambique, fisherfolk lost access to water or were only given access to water where there was a lot of competition or little fish to catch.

Q217 Did any job losses occur as a result of the project, including from the displacement from or loss of access to land or water?

DFC Response: DFC agrees that loss of livelihood is important to evaluate, however the addition of this question would be duplicative because the relevant information is gathered in other ways. DFC already evaluates whether loss of livelihood is anticipated or possible during due diligence and has additional

requirements for monitoring this risk outside of the DFC-008.² In addition, any change in project design or footprint would require reporting to DFC and an associated assessment of impacts and mitigation measures.

Add New Question

Commenters' Comments and Recommendation:

Mitigation measures are important to ensure that the Project is using the best available technologies to reduce emissions where possible and not cutting costs in a manner that will result in greater air pollution.

Q401C Please provide an explanation of the efforts taken and technologies implemented to reduce the GHG emissions and other air pollutants.

DFC Response: DFC agrees that mitigation measures are important, however the addition of this question would be duplicative. DFC already evaluates projects' compliance in implementing mitigation measures set forth in DFC agreements.

Add New Question

Commenters' Comments and Recommendation:

Environmental and social impact assessments often include very weak alternatives analyses for power sector projects that often do not consider renewables alternatives.

Q401D What alternatives to the Project were assessed, including renewable energy?

DFC Response: DFC agrees that a renewable alternatives analysis is important, however the addition of this question would not be appropriate for the DFC-008, which is completed post DFC investment. Alternatives analysis is and should be conducted during the due diligence phase of a Project. DFC already requires all Category A projects to develop and submit to DFC an Environmental and Social Impact Assessment which includes an Alternatives Analysis.

Expand Current Question: Q909

Commenters' Comments and Recommendation:

It is important to specifically articulate what constitutes renewable energy to ensure that companies are not including technologies that have deleterious impacts on the environment and local communities, such as many types of large-scale bioenergy.

Q909 Amount of renewable energy (i.e., solar, wind, hydro, geothermal, tidal) produced, expressed in gigawatt hours (GWh). (NUMBER)

² See [DFC's Environmental and Social Policies and Procedures](#)

DFC Response: DFC agrees with the proposed edit to the question. See the below added language in italics.

Q909 Amount of renewable energy (*including solar, wind, hydro, geothermal, tidal*) produced, expressed in gigawatt hours (GWh). (NUMBER)

Expand Current Questions: Q910-Q914

Commenters' Comments and Recommendation (Q910 – 914):

Knowing greater details about where the connections are being made will help DFC ensure that those most in need, especially poorer and rural users are those that are benefiting from the increased access to electricity.

Q910 Number **and location** of on-grid connections for households. (NUMBER, **CITY/ADDRESS**)

Q911 Number **and location** of on-grid connections for businesses. (NUMBER, **CITY/ADDRESS**)

Q912 Number **and location** of off-grid power systems installed for households. (NUMBER, **CITY/ADDRESS**)

Q913 Number **and location** of off-grid power systems installed for enterprises/businesses/organizations. (NUMBER, **CITY/ADDRESS**)

Q914 Number **and location** of micro-grid connections installed. (NUMBER, **CITY/ADDRESS**)

DFC Response (Q910 – Q914): DFC does not believe that these additions are necessary. Reporting on the specific address for each connection would present an undue burden on the respondents. For questions pertaining to households, this would involve collecting personally identifiable information and DFC does not have the need to collect this as is required by the Privacy Act.

Add New Question

Commenters' Comments and Recommendation:

DFC should be made aware of the negative impacts to households in case it is not properly captured in the other sections.

Q929 Number of residential dwellings destroyed. (NUMBER)

DFC Response: DFC does not believe this addition is necessary. This type of impact is already captured under the application and requirements of IFC Performance Standard 5.

Expand Current Questions: Q938-Q939Commenters' Comments and Recommendation (Q938-Q939):

DFC should look for projects that are improving the availability and reliability of public transit to reduce reliance on cars, thereby reducing transportation emissions and the need for transition minerals.

Q938 Length of road/**railway/subway track/rapid bus line** constructed, expressed in kilometers. (NUMBER)

Q939 Length of road/**railway/subway track/rapid bus line** improved, expressed in kilometers. (NUMBER)

DFC Response (Q938-Q939): These metrics are aligned to current industry standards.³ In order to preserve that alignment, DFC will not edit these questions.

Add New Questions Q1204 and Q1204B:Commenters' Comments and Recommendation:

Globally, individuals defending their human rights and the environment have increasingly faced intimidation, violence, and reprisals. DFC-008 should include a question on the applicant's protocol for preventing and addressing threats of and actual retaliation against complainants or those associated with project complaints or grievances.

Q1204 Does the Project have a protocol to prevent and address threats of or actual retaliation against grievance mechanism complainants and those associated with Project complaints or concerns?

Yes / No [IF Q1204= YES, ASK] Q1204A Please describe the Project's protocol and attach supporting documentation. Discuss any instances or threats of reprisals related to the Project and the steps taken to address them.

DFC Response: DFC does not believe these additions are necessary. DFC assesses the Grievance Redress Mechanisms themselves to ensure that they have mechanisms and channels that are free of intimidation⁴ as required by the IFC Performance Standards . These mechanisms and the requirement to comply with the IFC Performance Standards would already be in place at the time of the annual submission of the DFC-008.

Add New QuestionCommenters' Comments and Recommendation:

³ See [IRIS+](#)

⁴ See [DFC's Environmental and Social Policies and Procedures](#)

As Oxfam has highlighted, financial intermediaries have failed to be transparent with regards to high-risk projects that they finance. Requiring specific details from the outset will allow for greater transparency and a better understanding of the development impacts of the financial intermediary.

QXX For financial intermediaries, what subprojects are expected to receive financing from the financial institution client? Provide specific details on the projects, including location, sector, GHG emissions created.

DFC Response: DFC does not believe this addition is necessary. DFC works with a range of FI projects, from local commercial banks making SME loans to large investment fund managers. DFC and FI clients work cooperatively to define how DFC funding will be invested. These arrangements include reporting requirements so that DFC can track impacts like GHG emissions generated, avoided, or sequestered.

In an effort to simplify the DFC-008 and balance the reporting burden on respondents with the program benefits of the collection, DFC removed or consolidated certain questions. This included removing some questions that were previously added or edited based on public comments.

DFC appreciates your time in submitting comments and recommendations to improve the DFC-008.

Sincerely,

Christopher Walker
Deputy Vice President, Office of Development Policy
U.S. International Development Finance Corporation