Ensuring the U.S. International Development Finance Corporation (DFC) Delivers on Its Development Mandate

MFAN Recommendations

MFAN was an early leader in calling for the DFC's creation, and it has since worked to ensure the agency lives up to the bipartisan promise of its establishment: to serve as the U.S. government's premier international development finance agency and an integral part of our foreign policy toolkit. These recommendations highlight four key areas critical to strengthening the transparency, accountability, and development impact of the DFC's investments.

OVERVIEW

- The December 2025 passage of the DFC Modernization and Reauthorization Act (reauthorization) brought about several important changes. It more than tripled DFC's contingent liability cap to $205 billion, expanded the agency's ability to pursue deals in high-income countries in strategic sectors, and reinforced DFC's strong development mandate. The reauthorization also added new measurement and reporting requirements related to the development impact of DFC investments.
- Amid the substantial increase in DFC's portfolio cap and expansion of its remit, congressional oversight will be vital to ensure the agency delivers on its mission of harnessing the private sector to advance development objectives aligned with US economic and foreign policy goals.
- Congress should ensure that the agency regularly publishes investment data that allows stakeholders, including overseers on Capitol Hill, to verify the agency is delivering on its statutory development mission.
- Congress should also ensure adherence to conflict-of-interest rules on transaction decisions.

Fulfilling the Development Mandate

BACKGROUND

The BUILD Act, as amended, prioritizes investment in developing countries. Congress also provided DFC with important new authority to work in strategic sectors in high-income countries, but these investments should not come at the expense of DFC's mission to provide financing where it's most needed in frontier markets. *See* P.L. 119-60, Sec. 8711 and Sec. 8712.

RECOMMENDATIONS / QUESTIONS FOR DFC

- ? What share of FY26 commitments, by dollar value and project count, went to less developed, advancing income, high-income and wealthy countries (as defined in the reauthorization)?
- ? What are the sector, countries, and country classification for each approved investment?
- ? What investments is DFC pursuing to identify new financing opportunities and help drive domestic resource mobilization at partner country level in light of the America First Global Health Strategy?
- ? How does DFC classify a project as developmental versus strategic, and when and how will it publish that classification?
- ✓ Congress should ensure regular (quarterly) reporting of detailed project-level information.

Private Capital Mobilization (PCM)

BACKGROUND

As with OPIC, DFC is premised on the concept of additionality – its financial support is to be additional, not a replacement for private finance. For high-income projects, DFC is required to give private sector entities the opportunity to proceed without DFC support. Other than highly aggregated PCM data, Congress currently lacks information about whether, and to what extent DFC is (1) mobilizing private investment or (2) displacing private lenders. The reauthorization requires project level information, type of investment tool, and type of investor to be provided in the annual report. Without data on mobilization instruments and private-sector participants, it is not possible to verify that taxpayer dollars act as a force multiplier.

RECOMMENDATIONS / QUESTIONS FOR DFC

- Provide updates to Congress every six months on private capital mobilized, broken out by instrument, type of investee, country, and sector.
- Identify private co-investors and distinguish direct from indirect or catalyzed mobilization.
- How does DFC assess additionality – that private finance would not have flowed without DFC?

Impact Quotient (IQ)

BACKGROUND

IQ is DFC's tool for screening projects and measuring and monitoring development impact. The BUILD Act, as amended, added additional development criteria to be included in the IQ. DFC has not provided any information on its progress in updating the IQ; it also removed prior information about how the IQ works, including what it measures and how it measures investments, from DFC's website. Anticipated and actual impact is critical to understanding whether and how DFC's projects are helping to build developing economies, and measuring progress during the life of a project ensures course correction if needed.

RECOMMENDATIONS / QUESTIONS FOR DFC

- What is DFC's progress on updating the IQ? During developments of the update, DFC should ensure substantive consultations with both Congressional and outside experts.
- DFC should publish an IQ analysis of all projects, including anticipated development outcomes, results of monitoring and course corrections, if any, and actual development impact at the end of the project.
- Congress should mandate independent evaluation of the application of the IQ to ensure that it serves the purpose intended in the BUILD Act, as amended.

Data and Transparency

BACKGROUND

The BUILD Act, as amended, and the Foreign Aid Transparency and Accountability Act (FATAA) (see Section 8756 and Section 4, respectively) require quarterly project-level reporting, but DFC has provided only a small part of its project-level data to ForeignAssistance.gov. Data should be centralized on ForeignAssistance.gov so Congress can compare DFC investments with the rest of U.S. foreign assistance.

DFC also has three sources of project-level data on its site – one for projects for FY2024 and earlier (see here for excel sheet), one for reviews of environment and social issues, and a much more limited Active Project Database, last updated on June 30, 2026. Taken together these websites are difficult to use, have limited information, and are often out of date.

- The active data project database has five categories of information: fiscal year, region, country, type, project (public information summary), and commitment level. The public information summary (which is not always provided) is a *pdf* document and is not updated to track a project's progress. The active data project list was last updated as of June 30, 2026.
- The downloadable database (which is current through 2024) contains significantly more information than the active project database, including sector, country income level, support type, currency, estimated term, ESG category, 2X information, and IQ tier.
- The Environment and Social Assessment Impacts contain public information on each project for which an assessment was made for potentially elevated environment and social impacts. Documents, in *pdf,* include initial project summary, environmental and social impact, and the stakeholder engagement plan.

The absence of complete, timely, and usable data is the core problem: partial data cannot support oversight of a $205 billion portfolio.

RECOMMENDATIONS / QUESTIONS FOR DFC

- ? What is DFC's timeline for complete, project-level reporting to ForeignAssistance.gov of its entire portfolio?
- ? Since 2024, DFC no longer reports key information on a number of categories (*see above*). Will the active project database be updated to include all the categories currently in the 2024 downloadable database?
- ? What plans does DFC have to make its own website more user-friendly (including machine-readable) and ensure data are both timely and updated?
- ✓ DFC should provide clear updates to inform when an investment has reached maturity and has been closed, when a committed investment has not reached fruition, and when the scope of an investment has substantially changed?