

The logo for the Independent Accountability Mechanism (IAM) features the letters "IAM" in a bold, dark blue, sans-serif font. The text is centered within a white square, which is itself enclosed in a thick, dark red border.

**IAM**

**Independent  
Accountability  
Mechanism**

U.S. International Development Finance Corporation

A photograph of a rural agricultural landscape. In the foreground, a woman wearing a colorful sari with red, yellow, and black stripes and a matching headscarf is standing in a field of tall, green grass. She is holding a bundle of harvested, golden-brown stalks. In the background, another woman in a similar sari is working in the field. The field is filled with rows of harvested crops. In the distance, there are palm trees and a tall, metal electricity pylon under a clear blue sky.

**2024 Annual Activities Report**

## About the IAM

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The Independent Accountability Mechanism (IAM)—previously the Office of Accountability—is an independent office within the 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 workers, and project sponsors an opportunity to have concerns independently reviewed and addressed.

## About this Report

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This Fiscal Year (FY) 2024 Annual Activities Report of DFC's IAM is generated in accordance with Section 9614(b)(1) of the BUILD Act and submitted to DFC's Board of Directors and the U.S. Congress.

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# Letter from Mehrdad Nazari, IAM Director

FY2024 was a transformational year for the Independent Accountability Mechanisms (IAM)—also known as the Office of Accountability—of the U.S. International Development Finance Corporation (DFC).

In late February 2024, DFC’s Board appointed me to succeed Dr. William Kennedy. I very much appreciate the Board’s confidence and Management’s support. I would also like to express my thanks to Bill for his eight years of service, and for his support and guidance as I settled into my new role.

This Activities Report for FY24 details three steps taken to reposition and strengthen the IAM:

1. Developing a new Terms of Reference (TOR),
2. Ramping up engagement and outreach, and
3. Recruiting a new team.

These efforts have strengthened DFC’s accountability posture and stakeholder confidence in the IAM. This is evidenced by the arrival of the first set of eligible requests for IAM services since DFC started operating in January 2020. These requests involve the Bridge International Academies Project in Kenya, the Indorama Eleme Fertilizer Line 3 Project in Nigeria, and, in October, the Rovuma LNG Project in Mozambique.



Looking forward, I expect the IAM will play a more prominent role in supporting DFC’s accountability architecture. In addition to dealing with requests, this will require operationalizing the TOR once it is approved. The IAM will need to develop internal guidance to manage risks of threats and reprisals experienced by requestors and their representatives, engage with management to strengthen how DFC projects inform their workers and stakeholders about the IAM, and cross-train our small team to allow timely response to an unpredictable case load.

Please “follow” [DFC-IAM](#) on LinkedIn to remain informed about our cases and activities, and connect with us or share concerns about environmental and social concerns related to DFC’s projects.

**Mehrdad Nazari**

Director, Independent Accountability Mechanism

## Evolution of IAM and its TOR Timeline



**1971**

OPIC began operations



**2005**

Office of Accountability established



**2014**

Office of Accountability 'Handbook'



**2018**

Congress creates DFC (successor to OPIC)



**2020**

DFC Board establishes IAM



**2024**

**May:** Draft IAM TOR  
**Dec:** Board review of TOR



Note: DFC – U.S. International Development Finance Corporation; DFC-IAM – Independent Accountability Mechanism; OOA – Office of Accountability; OPIC – U.S. Overseas Private Investment Corporation; TOR – Terms of Reference

## Summary of IAM Cases

	FY20	FY21	FY22	FY23	FY24
Requests	0	1	0	0	3
Eligible	0	0	0	0	3 <sup>a</sup>
Ineligible	0	0	0	0	0
Problem Solving	0	0	0	0	0
Compliance Review	0	0	0	0	2
Advisory	0	0	0	0	0
Other	0	1 <sup>c</sup>	0	0	1 <sup>b</sup>

a - Eligible request include one CEO-requested compliance review.

b - One case in assessment phase to determine if problem solving or compliance review.

c - Office of Accountability received an incomplete submission and asked for additional information.



An OPIC loan supported the BIA Project to enable provision of high-quality education to poor children in rural and urban Kenya.

### Bridge International Academies, Kenya (FY24-1 & 2)

*Status: Compliance Review in progress.*

The Project involves a \$10 million loan provided by OPIC in 2013 to finance the expansion of low-income private schools in Kenya using a franchise model. In March 2024, following publications about child sexual abuse (CSA) related to BIA in Kenya, DFC's CEO requested the IAM to conduct a compliance review of the project. In July 2024, a coalition of civil society organizations representing former BIA pupils in Kenya alleging harm submitted a request for the IAM to include them in the on-going compliance review. The IAM Appraisal report was disclosed on October 10, 2024.



Indorama Eleme Fertilizer & Chemicals' building new facilities in Nigeria.

## Indorama Eleme Fertilizer (Line 3), Nigeria (FY24-3)

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*Status: Assessment in progress.*

The Project involves a \$75 million loan, which was approved by DFC's Board in December 2023, to build, operate and maintain an ammonia-urea fertilizer facility in Port Harcourt. In August 2024, a coalition of civil society organizations representing affected stakeholders alleging environmental and social harm filed a request for IAM's services. A similar request was submitted to the IFC's independent accountability mechanism. With approval of the requestors, the the accountability mechanisms of DFC and IFC are collaborating on the case.



Consultation on compensation in community affected by Rovuma LNG Project.

## Rovuma LNG, Mozambique (FY25-1)

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*Status: Assessment in progress (November).*

The Project involves development, construction, operation, and maintenance of a large-scale onshore natural gas liquefaction plant, inlet facilities, onshore feed gas pipelines and storage facilities, and includes rights of access to and usage of certain shared facilities. In 2020, DFC executed a commitment letter--which was last extended in 2023 until 2025--to provide political risk insurance for up to \$1.5 billion. The IAM received a Request on October 15, 2024, and determined the Request to be eligible on November 1, 2024.



The OIG team welcomes the newly recruited IAM team in September 2024.

## DFC's Office of Inspector General

The BUILD Act, which established DFC, also created its two independent accountability and oversight mechanisms. These comprise the IAM and the Office of Inspector General (OIG). The OIG's mission is to prevent, detect, and deter fraud, waste, abuse, and corruption in DFC's programs and operations around the world by conducting audits, investigations, and inspections of DFC's projects, systems, employees, and contractors. While OIG audits and inspections result in recommendations to improve program efficiencies and effectiveness, investigations can be criminal, administrative, or civil and may result in criminal convictions, fines, or other sanctions. OIG activities can also result in suspension and debarment referrals to DFC.

OIG activities have included investigating a whistleblower complaint about a potential DFC project that was expected to displace 10,000 people. The scale of such a resettlement would have prohibited DFC's participation under its environmental and social policies. OIG spoke with DFC's origination team, which was aware of the displacement. DFC eventually decided to terminate involvement in the project. An OIG audit of DFC-funded renewable energy and financing projects in India identified several findings including inadequate support for a waiver of environmental and social standards for one of the projects and improvements were needed in project monitoring. The OIG has recently announced plans to inspect two DFC-funded projects in India, which will include "boots on the ground" to evaluate, among other things, DFC's due diligence and monitoring of ESG guidelines. To learn more about the OIG and access publications, visit the website, [www.dfc.gov/oig](http://www.dfc.gov/oig).

DFC's IAM was among nine independent accountability mechanisms co-hosting an outreach workshop, June 12-13, 2024, in Nairobi, Kenya. Over 30 representatives from civil society organizations from Ethiopia, Kenya, Malawi, Rwanda, Tanzania, Uganda, and Zambia attended the workshop, which was co-organized with the International Accountability Project and the Outreach Working Group of the Independent Accountability Mechanism Network (IAMnet).





## New Terms of Reference



When DFC's Board established the IAM in 2020, it tasked its Director with developing a new TOR. In May 2024, the IAM published a Draft TOR that is largely modeled after the well-tested and well-known policy of the Compliance Advisor Ombudsman, IFC/MIGA's independent accountability mechanism.

Key functions and activities of the IAM detailed in the TOR include the following:

- **Eligibility, Assessment, and Appraisal.** These processes determine the eligibility of a request and establish whether problem solving or compliance review is a desired and suitable option.
- **Problem Solving.** This service helps stakeholders resolve issues through a neutral, collaborative, dialogue-based approach.
- **Compliance Review.** This service involves a review of DFC's compliance with its environmental and social regulatory framework and assessment of related harm, resulting in recommendations to DFC's Management.

- **Monitoring.** This helps track and ensure that problem-solving agreements or management action plans are being implemented.
- **Advisory.** Based on case experience, engagement with stakeholders, and good international practice, IAM provides insights and recommendations to DFC management on broader environmental and social issues.
- **Outreach and Communication.** The IAM takes a proactive approach to promoting awareness of its purpose, mandate, functions, activities, and disclosures.

The TOR also highlights our “zero tolerance” of threats or reprisals against requesters or others involved in an IAM process, as well as our cooperation with other accountability mechanisms. The TOR is scheduled for Board review in December 2024 and will be available in the **“About Us”** section of the IAM's website.



DFC's IAM and Office of Inspector General participated in the 21st Annual Meeting of the Independent Accountability Mechanisms Network (IAMnet) from 1-4 October 2024 in Manila. The event, which featured one day devoted to outreach with diverse civil society groups, was co-hosted by the Asian Development Bank's Accountability Mechanism and the Independent Redress Mechanism of the Green Climate Fund.

## Engagement and Outreach

In 2024, we published our first IAM outreach strategy. It identifies project-affected people and workers as our target audience. DFC's clients, civil society organizations, the Independent Accountability Mechanisms Network (IAMnet), and digital media are also identified as critical intermediaries.

### Identity

To align with the terminology of the 2018 BUILD ACT and related Board documents, DFC's "Office of Accountability" is being rebranded as the "Independent Accountability Mechanism", with new logos and an updated [website](#).

We are also establishing a social media presence. By the end of the reporting period, we had established a profile on [LinkedIn](#) and had over 250 followers. The most viewed of the IAM's 30 posts, with over 2,600 impressions, describes IAM's September 2024 team meeting in Washington D.C. for level setting, strategic planning, and stakeholder engagement.

### Public Case Registry

Our website includes a [Public Case Registry](#) reflecting status updates about requests and cases, as well as management-requested advisory work and compliance reviews. Improvements to this registry include a listing of unregistered and ineligible requests.

Due to our relatively low case load and cost implications, we postponed developing a web-based and searchable database. We will revisit this decision also in response to expected discussions with our IAMnet peers and CSO partners working on standardizing disclosure practices of IAMs.

### Client Outreach

We will continue to engage with DFC Management to improve IAM's outreach through clients in FY25. DFC currently requires projects categorized as "A-level" (meaning high environmental and social risk) or "Special Consideration" (meaning heightened social risks) to inform their workers and other stakeholders about the IAM and how it can be accessed. A review of statistics since 2020 indicates that this approach only reaches approximately 3% and 13% of DFC's project portfolio by total number and total financial commitment, respectively.

### IAMnet

The IAM is one of over 20 members of an active Independent Accountability Mechanisms Network. Its membership is linked to development finance institutions around the world. The network enables continuous exchange among IAMs, joint outreach and training events, discussions of emerging accountability trends, and sharing of challenges, good practice, and lessons learned.



DFC's IAM co-sponsored a workshop celebrating Conflict Resolution Day.

In 2024, the IAM participated in and cohosted several IAMnet activities, including a two-day CSO outreach workshop in Kenya, which attracted CSO representatives from Ethiopia, Kenya, Malawi, Rwanda, Tanzania, Uganda, and Zambia; and the 4-day IAMnet Annual Meeting in the Philippines, which featured a well-attended CSO outreach day. In October 2024, the IAM also co-hosted a 1-day workshop in Washington, DC with CSOs and other IAMs on conflict resolution and problem-solving.

### Engaging on the TOR

Also in 2024, we published a dedicated stakeholder engagement plan for the development of the IAM's TOR. In line with this plan, we published a Draft TOR and related materials, and delivered two virtual webinars in June 2024 to provide an opportunity for interested parties to comment and ask questions. Recordings of the webinars can be accessed in the [“About Us”](#) section of our webpages. At the end of the 60-day TOR public consultation period, a CSO coalition submitted and published detailed comments. The IAM will publish all comments and responses, along with the Board-approved TOR, in the [“About Us”](#) section of our webpages (expected in December 2024).

### Other Activities

In April 2024, the IAM Director attended the 43rd Annual Conference of the International Association for Impact Assessment, titled “Impact Assessment for a Just Transformation” in Dublin, Ireland. In June, he contributed to USAID’s “Accountability Matters” webinar series on the topic “Why are U.S. Government Accountability Mechanisms Important?,” which attracted over 200 participants. And in July, he presented at the monthly “Tuesday Group” meeting hosted by the Bank Information Center and USAID in Washington, DC. These meetings provide opportunities to discuss and coordinate policy around multilateral development banks, and to discuss and vet issues between NGOs and the U.S. Government. At the July meeting, the IAM Director engaged with CSOs and other participants about the Draft TOR and other issues pertaining to our mandate.

## A New IAM Team

Over the years, the Office of Accountability at OPIC and DFC was staffed by one Director. From time to time, the position was vacant or held by a part-time or full-time Director. As requested by the U.S. Congress during the reporting period, the IAM recruited a new team to better fulfill the IAM's mandate. By August 2024, the IAM team comprised 2.5 full-time equivalent positions, excluding a Presidential Management Fellow seconded to the IAM. The new IAM team is introduced in alphabetic order below.



### **CHAD DEAR, Program Manager**

Chad Dear joined IAM to serve as its Program Manager. Through positions in government, NGOs, and academia, Chad has designed, implemented, and evaluated large- and small-scale international development projects; conducted E&S due diligence and monitoring for DFC projects; reformed U.S. Government interagency E&S oversight processes for multilateral development banks; and led applied multidisciplinary research teams. Chad, who earned his Ph.D. in Human Dimensions of Natural Resources, has over 20 years of professional experience, including 10 years on the ground in Central, South, and Southeast Asia and Southern Africa. Chad is an affiliate faculty with the Department of Society and Conservation at the University of Montana and a former American Association for the Advancement of Science (AAAS) Science Policy Fellow and former Fulbright Fellow.



### **KATE KOPISCHKE, Lead Mediator**

Kate Kopischke is an experienced mediator and stakeholder engagement facilitator specializing in complex E&S challenges. She has over 20 years of experience in public and private sector consensus building, conflict assessment, multi-party stakeholder processes, grievance mechanism design and practice, training and capacity building, and communication and outreach focused on appropriate dialogue and dispute resolution processes. Previously, she worked as a Dispute Resolution Specialist at IFC/MIGA's CAO, an Expert Stakeholder Engagement Practitioner at the U.N. Development Programme, and an E&S Safeguards Expert at the Green Climate Fund.



### **MEHRDAD NAZARI, Director**

Mehrdad Nazari is the Director of the Office of Accountability/Independent Accountability Mechanism. He brings 30 years of experience to his role. Most recently, Mehrdad was the Founding Director of a niche ESIA/ESG consulting practice. He served as an independent E&S consultant, advised on ESG strategies, made ESIA's bankable, supported independent engineers advising investors, developed decarbonization strategies, and was appointed to independent expert rosters/panels of IAMs at three multilateral financial institutions. Previously, he was Head of Research at an ESG rating agency, served as a Principal Environmental Specialist at the European Bank for Research and Development (EBRD) in London, and was a Project Manager at an international consulting firm in Frankfurt, Germany. Mehrdad studied geosciences, business administration, and sustainability in Germany, the United States, and the United Kingdom.



### **ALEXANDER PERKINS, Legal Compliance Analyst**

Alexander Perkins serves as a Legal Compliance Analyst at IAM, where he addresses compliance, accountability, and transparency issues in DFC-supported projects. His career is dedicated to public service. Prior to joining DFC, he served as the Deputy State Hazard Mitigation Officer for the Oregon Department of Emergency Management, where he managed hazard mitigation grant compliance and developed new policies and procedures. He also served in the Oregon Department of Justice and the Oregon Court of Appeals, where he drafted bench memos and judicial decisions. Additionally, he is a combat veteran of the U.S. Army. Alex holds a J.D. from Willamette University College of Law and a B.A. in Philosophy from the City University of New York, with a focus on Applied Ethics. He is a Presidential Management Fellow – a training and leadership development program administered by the U.S. Office of Personnel Management.

## Resourcing

The IAM reports to DFC's Board and the U.S. Congress. When requested, we participate in meetings with staff from Congressional sub-committees, typically the Senate and House Appropriations Subcommittee on State, Foreign Operations, and Related Programs.

During the reporting period, the IAM was moved administratively from the Office of the Chief Executive to the Office of Administration. As part of this process, the IAM was also provided with its own budget line. The IAM headcount by the end of the reporting period was 3.5 full-time equivalent, including the IAM Director and a Presidential Management Fellow seconded to the IAM. The FY24 departmental budget, which excludes human resources, is tabulated in the next column.

Significant changes approved by DFC's Management for FY25 include budget to cover costs for invitational travelers. With this budget, the IAM will be able to cover costs associated with mitigating the risk of threats and reprisals for local requesters and their representatives, and facilitate joint outreach events with other independent accountability mechanisms.

IAM Budget	Budget FY24	Obligations FY24	Budget FY25
Contract Support	253,067	37,163	283,089
Conference Attendance Fees	6,000	0	3,000
Event/Conference Planning	0	0	0
Training	6,500	0	6,500
Other	3,588	3,588	0
Travel	25,000*	78,007	25,000*
Invitational Travelers	0	0	33,000
<b>Total</b>	<b>300,155</b>	<b>118,757</b>	<b>350,589</b>

\* Nominal travel budget

## **Acronyms**

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<b>BIA</b>	<b>Bridge International Academies</b>
<b>BUILD ACT</b>	<b>Better Utilization of Investments Leading to Development (BUILD) Act of 2018</b>
<b>CAO</b>	<b>IFC/MIGA's Compliance Advisor Ombudsman</b>
<b>DFC</b>	<b>U.S. International Development Finance Corporation</b>
<b>ESG</b>	<b>Environmental, Social and Governance</b>
<b>FTE</b>	<b>Full-time equivalent</b>
<b>IAIA</b>	<b>International Association for Impact Assessment</b>
<b>IAMnet</b>	<b>Independent Accountability Mechanism Network</b>
<b>IFC</b>	<b>International Finance Corporation</b>
<b>MIGA</b>	<b>Multilateral Investment Guarantee Agency</b>
<b>OOA</b>	<b>Office of Accountability</b>
<b>OPIC</b>	<b>U.S. Overseas Private Investment Corporation</b>
<b>TOR</b>	<b>Terms of Reference</b>





**Independent  
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