

February 29, 2024

Ms. Deborah Papadopoulos
U.S. International Development Finance Corporation
1100 New York Ave NW, Washington, DC 20527

Dear Ms. Papadopoulos,

Thank you for the opportunity to comment on DFC's proposed rule on suspension and debarment. As civil society organizations who support communities whose livelihoods and environments have been harmed by development finance projects, we have unfortunately seen development finance institutions provide new financing to clients who have a history of causing environmental and social harm.¹ This practice hurts the very communities that are supposed to benefit from development, undermines the sustainability of investments, and causes reputational damage to the institutions financing development projects.

DFC's proposed rule should include provisions to ensure that DFC and the U.S. government do not provide funding to entities that cause harm and make no efforts to remediate the harm. We propose that Section H of DFC's proposed rule include the following:

DFC may debar a person for - ... Refusing to engage in efforts to remediate identified environmental, social, and human rights harm stemming from their activities, including harm identified through a DFC Office of Accountability complaints process.

Thank you for considering this recommendation, and we look forward to continuing engagement on this issue.

Sincerely,

Stephanie Amoako
Interim Policy Director
Accountability Counsel

Kate DeAngelis
Senior International Finance Program Manager
Friends of the Earth US

¹ Sara Jaramillo, "Why Do Multilateral Development Banks Finance Repeat Offenders?" (April 3, 2023), *available at* <https://www.accountabilityconsole.com/newsletter/articles/why-do-multilateral-development-banks-finance-repeat-offenders/>.

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