OFFICE OF INSPECTOR GENERAL
U.S. International Development Finance Corporation

Top Management Challenges Facing DFC in FY 2026

November 19, 2025

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Introduction

The Reports Consolidation Act of 2000 requires inspectors general to summarize the most serious management and performance challenges facing their respective agencies.[1] In previous years, the Office of Inspector General (OIG) has identified the top management and performance challenges facing the U.S. International Development Finance Corporation (DFC). This year, due to extensive changes DFC has experienced, we are issuing an abbreviated fiscal year (FY) 2026 Top Management Challenges report. We offer the following three challenges facing DFC in FY 2026, which are informed by insights from the OIG's work and discussions with DFC management officials.

1. Updating the Strategic Plan Due to Changes in Priorities and Leadership
2. Developing a Strategic Workforce Plan
3. Streamlining the Investment Origination Process

Thoughtfully addressing these three challenges will help DFC achieve its mission.

Background

As America's development finance institution, DFC partners with the private sector to invest in projects around the world that advance U.S. foreign policy priorities, national security, and economic development. These investments provide developing countries an alternative to state-directed investments offered by authoritarian governments. DFC has active investments in Africa, the Middle East, Latin America and the Caribbean, the Indo-Pacific, and Europe[2] and is on track to end FY 2025 with a portfolio of more than $49 billion. A summary of previous top management challenges facing DFC is highlighted in the table below.

[1] Reports Consolidation Act of 2000, Public Law 106-531, section (5)(b), states: "[E]ach program performance report shall contain an assessment by the agency head of the completeness and reliability of the performance data included in the report. The assessment shall describe any material inadequacies in the completeness and reliability of the performance data, and the actions the agency can take and is taking to resolve such inadequacies." Although DFC does not fall under the jurisdiction of the Reports Consolidation Act, DFC OIG proactively publishes its Top Management Challenges each fiscal year as a government-wide best practice.

[2] The European Energy Security and Diversification Act of 2019 authorizes DFC to support certain energy and energy-related investments in eligible European and Eurasian countries without regard to host-country income classification.

Top Management Challenges Facing DFC in FYs 2023 – 2025

FY 2023	FY 2024	FY 2025
Improving Monitoring and Evaluating Actual Development Impact	Improve Monitoring and Evaluating Actual Development Impact	Secure Reauthorization while Improving Operations
Improving Performance Management, Transparency, Accuracy, and Availability of Project Data as DFC's Commitments Grow	Improve Performance Management, Traceability, Accuracy, and Availability of Project Data as DFC's Commitments Grow	Maintain Efficient Growth and Development
Balancing Heightened Expectations of Congress and Stakeholders While Managing Risks	Balance Heightened Expectations of Congress and Stakeholders While Managing Reputational Risks	Improve Monitoring and Measurement of Actual Development Impact
Managing Organizational Transition While Building Internal Controls Around Core Management Systems	Maintain Efficient Growth and Development	Balance Expectations of Congress and Stakeholders While Managing Reputational Risks
		Improve Traceability, Accuracy, and Availability of Project Data as DFC Grows

FY 2026 Top Management Challenges

DFC is at a pivotal juncture. The Trump administration has established government-wide priorities centered on making America safer, stronger, and more prosperous. To help advance these goals, DFC has been tasked with significant new responsibilities. These responsibilities include partnering with Ukraine on the United States–Ukraine Reconstruction Investment Fund and focusing investments in new sectors, such as nuclear energy technology, artificial intelligence, and drone technology. Further, DFC faces reauthorization and current proposals call for dramatically increasing the Corporation's contingent liability and expanding the use of equity, among other changes.

In addition to new responsibilities, DFC has experienced leadership turnover. DFC did not have a permanent CEO for most of 2025,[3] and its public sector board members and politically appointed leadership are new to DFC. DFC also experienced a 25 percent workforce reduction with many employees retiring or taking the administration's deferred resignation program. Thus, the Corporation must position itself to take on new responsibilities and prioritize investments in new sectors with fewer staff.

This year's Top Management Challenges identifies three key items DFC should consider: (1) Updating the Strategic Plan Due to Changes in Priorities and Leadership; (2) Developing a Strategic Workforce Plan; and (3) Streamlining the Origination Process. Addressing these challenges will help DFC achieve its mission.

Top Management Challenges Facing DFC in FY 2026

1	**Updating the Strategic Plan Due to Changes in Priorities and Leadership**
2	**Developing a Strategic Workforce Plan**
3	**Streamlining the Origination Process**

Updating the Strategic Plan Due to Changes in Priorities and Leadership

The Trump administration has established new government-wide priorities. Multiple executive orders (EOs) issued this year articulate how agencies should direct their activities to accomplish these new priorities. For DFC, this includes EOs to fund American mineral production,[4] support American nuclear technology,[5] promote the export of American AI technologies and standards,[6] and promote the export of American-made civil drones and related systems.[7] DFC has also been directed to work with multiple agencies on a joint report to identify tools that support domestic and international seabed mineral resource exploration, extraction, processing, and environmental monitoring.[8] Additionally, the U.S. government, in partnership with the Ukrainian government, established the United States-Ukraine Reconstruction Investment Fund (the Fund) to catalyze investments in critical minerals, hydrocarbons, and related infrastructure in Ukraine. On behalf of the United States, DFC serves as the legal entity with ultimate responsibility for the Fund's

[3] Mr. Benjamin Black was sworn in as DFC's Chief Executive Officer on Thursday October 9, 2025. DFC previously had an Acting CEO since January.
[4] Executive Order "Immediate Measures to Increase American Mineral Production," March 20, 2025.
[5] Executive Order "Deploying Advanced Nuclear Reactor Technologies For National Security," May 23, 2025.
[6] Executive Order "Promoting the Export of the American AI Technology Stack," July 23, 2025.
[7] Executive Order "Unleashing American Drone Dominance," June 6, 2025.
[8] Executive Order "Unleashing America's Offshore Critical Minerals and Resources," April 24, 2025.

investment decisions and management. These new priorities have impacted the types of projects approved by DFC's Board of Directors.

DFC's authorization ended in October 2025. Congress is considering changes to the Corporation's authorities, such as raising DFC's investment cap from $60 billion to potentially $200 billion, expanding the role of equity investments, and allowing greater investment in high-income countries.

DFC leadership should incorporate these new priorities, activities, and potential changes in an updated strategic plan. A clearly articulated and well-understood strategic plan helps create organizational alignment. DFC's current strategic plan covering FYs 2022 – 2026 predates the corporation's new priorities, activities, and potential changes. Once DFC is reauthorized, an updated strategic plan would help provide a unified understanding across DFC of the corporation's goals and objectives to achieve organizational success.

Developing a Strategic Workforce Plan

Workforce planning serves as the foundation for managing an organization's human capital by enabling organizations to strategically meet current and future workforce needs.[9] A strategic workforce plan helps an organization have the right people in the right roles at the right time. High performing organizations align their strategic workforce plan with the organization's strategic plan, making both essential. DFC currently does not have a strategic workforce plan, nor has it had one in recent years.

DFC's workforce has undergone significant changes since the beginning of the year. Staffing decreased from 704 employees on January 20, 2025, to approximately 529 in September 2025, equating to a 25 percent reduction of its workforce.[10] DFC also has been impacted by the federal hiring freeze that has been in effect since January.

DFC's new focus on projects involving U.S. technologies, such as nuclear, drone, and AI, require staff to have appropriate knowledge in these sectors. Large infrastructure projects also require knowledgeable staff due to their high-risk categorization. High-risk categorizations are used when projects potentially have significant adverse environmental and/or social impacts that are irreversible, sensitive, or unprecedented in the absence of adequate mitigation measures.[11]

For these reasons, developing a strategic workforce plan -- based on an effective organizational strategic plan -- would better position DFC to achieve its mission once reauthorized.

Streamlining the Origination Process

DFC investment projects go through two distinct phases: origination and monitoring. In the origination phase, projects undergo an application, screening, clearance, and approval process.

[9] OPM Workforce Planning Guide, November 2022, p. 4.

[10] This reduction was due to the administration's federal workforce reforms, known as the Deferred Resignation Program, that started on January 28, 2025. This program is now closed.

[11] DFC's Environmental and Social Policies and Procedures, April 2024, p.11.

Origination can take more than a year and is completed once a financing agreement has been signed and, if applicable, the first disbursement is made.[12] Over time, DFC management has sought to reduce the processing time of investment decisions to mitigate investment risk and improve stakeholder satisfaction. However, the time to originate a transaction continues to be lengthy. This discourages partners from wanting to work with DFC and reduces DFC's ability to deliver on its economic development and strategic investment mission. The goal of streamlining the origination process has been made more challenging by DFC's workforce reductions and the ongoing hiring freeze.

DFC has taken steps to streamline origination by contracting with three companies to support this work. The companies will work with DFC project teams to identify pain points in the origination phase, propose improvements, and utilize artificial intelligence (AI) to help streamline the process and shorten the origination timeframe. Successful streamlining of the origination process will help DFC achieve its mission.

Conclusion

DFC faces a convergence of challenges. New priorities, new leadership, and staffing reductions have all impacted the Corporation. DFC must also prepare for potentially significant changes to its authorities upon reauthorization. By updating the Corporation's strategic plan, developing a strategic workforce plan, and streamlining the origination process, DFC will be better prepared to overcome these challenges.

[12] A disbursement could be an initial incremental amount or the total investment amount.

MEMORANDUM November 19, 2025

TO: Nagasilpa Jujjavarapu
Acting Inspector General
DFC – Office of the Inspector General

FROM: Benjamin Black
Chief Executive Officer

SUBJECT: DFC's Management Response to "Top Management Challenges Facing DFC in FY 2026."

The U.S. International Development Finance Corporation appreciates the opportunity to provide a response to the "Top Management Challenges" (TMC) identified in the Office of the Inspector General's (OIG) report. The report rightly underscores that DFC is operating at a decisive inflection point against the backdrop of significant government-wide transformation, including new policy priorities and substantial workforce realignments. At the same time, potential statutory changes under consideration by Congress – including a substantial increase in our maximum contingent liability and the ability to provide financing in more countries – present transformative growth opportunities alongside heightened governance and operational demands. Reauthorization of the Corporation and the development of an updated strategic plan are essential to ensuring that new priorities are effectively integrated, resourced, and enable unified execution across all business lines.

You correctly note that the length of DFC's origination process has been identified by investment partners and potential borrowers as a challenge. An area of current focus of DFC is streamlining the origination process, while at the same time maintaining rigorous due diligence and compliance standards and processes. I would also note that our value to partners and potential borrowers extends beyond transaction speed — it includes the financing flexibility and development expertise that few other institutions can offer. Our goal is to streamline the origination process to further increase our attractiveness as an investment partner and lender.

Leveraging the contracted process optimization and AI-support initiatives in parallel with workforce and strategic plan updates will position DFC to sustain operational excellence while meeting expanded statutory and policy objectives. The Board and the Corporation's senior leadership is giving prompt attention to these priority areas that are pivotal to safeguarding mission delivery, sustaining operational resilience, and producing long-term impact.