



CREATING GOOD JOBS, A CLEAN ENVIRONMENT, AND A FAIR AND THRIVING ECONOMY

The Honorable James Risch
Chair
Senate Foreign Relations
Committee
United States Senate
Washington, DC 20510

The Honorable Jeanne Shaheen
Ranking Member
Senate Foreign Relations
Committee
United States Senate
Washington, DC 20510

The Honorable Brian Mast
Chair
House Foreign Affairs Committee
U.S. House of Representatives
Washington, DC 20515

The Honorable Gregory Meeks
Ranking Member
House Foreign Affairs Committee
U.S. House of Representatives
Washington, DC 20515

October 27, 2025

Dear Chairs Risch and Mast and Ranking Members Shaheen and Meeks,

Thank you for the opportunity to submit this letter on behalf of the BlueGreen Alliance. The BlueGreen Alliance unifies labor unions and environmental organizations into a powerful force to fight climate change, protect the health of people and the environment, stand against economic and racial inequality, and create and maintain good-paying, union jobs in communities across the country.

We share the committee's goal of ensuring that U.S. development finance advances our nation's strategic, economic, and environmental interests. However, we must oppose the reauthorization of the Development Finance Corporation (DFC) in its current form unless significant reforms are adopted.

Congress created the DFC to provide countries with an alternative to state-directed investments from authoritarian regimes. In theory, the DFC's work should promote democratic governance, advance sustainability, and strengthen economic relationships that benefit both developing nations and the American people.

In practice, however, the DFC's authorizing language lacks enforceable guardrails to ensure that the agency's investments align with U.S. labor, environmental, and industrial policy goals. DFC projects have been sited in locations which do not meet or exceed domestic labor and environmental standards, meaning foreign firms can harm workers, pollute, and export goods into the global market at the expense of U.S. workers and the environment. Simply put, U.S. taxpayer-backed financing should never subsidize projects anywhere, using any products, that do not meet US labor and environmental standards or that accelerate the offshoring of good-paying American, union jobs.

If the DFC is to be reauthorized, its authorizing guidelines must ensure that U.S. development finance:

1. Builds resilient, democratic supply chains rooted in transparency, human rights, and environmental integrity;
2. Strengthens – not undermines – U.S. workers and manufacturers; and
3. Drives global industrial transformation toward cleaner, lower-emission production consistent with our national and economic security objectives.

Without meaningful reform, DFC projects risk reinforcing the same global inequalities and vulnerabilities that America's development and climate strategies seek to solve.

We urge Congress to condition reauthorization on the following nine reforms:

1. Strengthen labor rights protections and include enforceable claw backs. All DFC projects should be required to uphold robust labor standards, with penalties or claw backs for violations.
2. Establish binding environmental safeguards. The DFC should meet or exceed U.S. environmental standards for pollution, and community health protections in all financed projects.
3. Establish guardrails on the eligibility of projects in high-income countries. Without change, current language could shift significant statutory authority to invest in wealthy nations that could finance their own projects, over funding projects in low to middle income countries, raising quality of life standards, wages, and trade opportunities for American workers and manufacturers.

4. Adopt domestic content and procurement requirements similar to those of the Export-Import Bank. To the extent feasible, DFC projects should prioritize U.S. made inputs and technologies, ensuring that American taxpayers investments deliver benefits to American workers and communities.
5. Align DFC's statutory mission with U.S. industrial and clean manufacturing strategy. The authorizing text must explicitly include building resilient supply chains and supporting workers' rights, and strong environmental standards.
6. Prohibit financing for projects involving foreign entities of concern. No U.S. backed development project should use supplies, equipment, or materials produced in or by authoritarian states that threaten U.S. interest or global human rights rules.
7. Require measurable positive impacts on U.S. employment. Projects should create or sustain jobs in the United States and operate only in partner countries that are fully compliant with U.S. trade and labor agreements.
8. Add enforceable language to prevent environmental degradation and carbon leakage. Development projects should contribute to global decarbonization – not to the offshoring of emissions or pollution-intensive production.
9. Add a labor voice to the DFC Board of Directors. Include at least one representative from a major U.S. labor organization with expertise in international development and project oversight. Workers deserve a seat at the table where U.S. taxpayer backed investment decisions are made.

The proposed reforms will ensure that the work of DFC aligns with US industrial policy, supports American workers, and ensures that projects align with U.S. labor and environmental standards. The DFC's stated mission is to advance U.S. values abroad but reauthorizing the agency without significant reform would perpetuate the very offshoring and environmental degradation that Congress created the DFC to prevent.

Thank you for your consideration.