

Earlier this year, a private sector analysis revealed the risks of using wearable technologies, such as Fitbits and Apple Watches, which use GPS tracking. As the report stated, researchers were able to track the movements of the deployed troops in overseas locations.

This, obviously, poses an enormous national security risk for our soldiers serving abroad. Enemies could track patrol routes or discover the locations of secret foreign installments.

This exposure puts our diplomats at risk as well. We have men and women engaging in diplomatic efforts all over the world, often in sensitive and high-risk areas. We must not make it easier for our enemies to track their movements.

As such, our bill requires the Department of State to establish a policy on use of location-tracking devices by diplomats at U.S. facilities around the world.

As the chairman said, many of us here have been to these hot spots—Iraq, Pakistan, Afghanistan, Egypt, Tunisia. I got briefed by the Libyan team in exile after Benghazi. And they deserve to be protected. This bill will do just that.

I would like to thank my good friend Congressman CASTRO for his friendship and leadership on this issue, as well as Chairman ROYCE and Ranking Member ENGEL on this important legislation.

Mr. SHERMAN. Mr. Speaker, I yield 3 minutes to the gentleman from Texas (Mr. CASTRO), the author of the bill.

Mr. CASTRO of Texas. Mr. Speaker, I thank Chairman ROYCE, Ranking Member ENGEL, subcommittee Ranking Member SHERMAN, also my colleague from Texas and the coauthor, Representative MCCAUL. I thank them for all of their hard work on this.

Every day, diplomats work to advance the interests of the United States, often at embassies and consulates in the most dangerous pockets of the world. They risk their lives to be our Nation's frontline civilians and are faced with having to adapt to changing technologies that often come with security risks.

As Members of Congress, and especially those who conduct oversight of the United States State Department, we must protect our diplomats who serve our Nation from any threats posed by evolving technology, including fitness trackers, for example, that expose location.

That is why I joined my fellow Texan, Chairman MICHAEL MCCAUL, to introduce the Protecting Diplomats from Surveillance Through Consumer Devices Act. This bill requires the State Department to account for these devices in the security policies of U.S. embassies and consulates worldwide and update embassy and consulate security policies by addressing vulnerabilities associated with location-tracking consumer devices worn by diplomatic personnel.

These frontline civilians risk their lives in service to the United States.

As lawmakers, we have a responsibility to ensure these brave diplomats and development workers have the protections they deserve.

I am glad to see this bill being considered on the House floor today, and I request and urge the support of all of my colleagues.

Mr. ROYCE of California. Mr. Speaker, I reserve the balance of my time.

Mr. SHERMAN. Mr. Speaker, I yield myself such time as I may consume.

H.R. 4989 is commonsense legislation that will improve the safety of U.S. personnel overseas. I want to commend the chair and the ranking member for bringing this through our committee, and commend Mr. CASTRO of Texas and Mr. MCCAUL of Texas for their hard work in creating this legislation.

This bill will ensure that the State Department is addressing the risks associated with consumer devices that can be used, in some cases, to track the locations of those who own them.

This bill passed with a unanimous, bipartisan voice vote in our committee. I commend it to my colleagues. I will support this measure. I urge my colleagues to do the same.

Mr. Speaker, I yield back the balance of my time.

Mr. ROYCE of California. Mr. Speaker, I yield myself such time as I may consume.

Our diplomats serve in some of the most dangerous parts of the world. They advance U.S. interests overseas, and while they serve our Nation overseas, it is our job here to ensure that they have the information and resources that they need to stay safe. So I urge my colleagues to vote in favor of this timely bill.

I yield back the balance of my time.

Ms. JACKSON LEE. Mr. Speaker, I rise in strong support of H.R. 4989, Protecting Diplomats from Surveillance Through Consumer Devices Act.

H.R. 4989 directs the Department of State to: (1) establish a policy on the use of location-tracking consumer devices, including GPS-enabled devices, at U.S. diplomatic and consular facilities by U.S. government employees, contractors, locally employed staff, and members of other agencies deployed to or stationed at such facilities; and (2) submit a related report to Congress.

This bill states that existing and new employees at such facilities shall, as a part of their security briefings, be informed of such policy and given instructions on the use of location-tracking consumer devices on and off facility premises.

The State Department may coordinate policy formulation with other agencies whose employees are deployed to or stationed at U.S. diplomatic and consular facilities.

The public release earlier this year of GPS tracking data from the American fitness company Strava revealed highly sensitive information on U.S. activities abroad, such as military base locations, jogging paths of personnel located at these bases and, in many cases, also identified paths with individual accounts.

This data was collected from wearable electronic devices such as Fitbits and other technologies and presents a glaring security vul-

nerability that our adversaries may exploit to undermine our interests, thereby putting our personnel serving abroad at extreme risk.

While the issue has most seriously affected U.S. military installations, in lieu of a policy on the use of these devices, State Department personnel remain at risk as well.

As such, H.R. 4989 requires the Department of State to establish and disseminate a policy on the use of location-tracking consumer devices by diplomats and other employees at U.S. embassies and consular facilities outside the United States.

This is a commonsense step to ensure we are doing all we can to protect our diplomatic personnel serving our nation abroad.

Our enemies and adversaries work around the clock to undermine our interests.

We should not make it any easier for them.

I thank my colleague and good friend, Congressman JOAQUIN CASTRO, for introducing this important legislation.

By passing H.R. 4989, we can help ensure the safety of our nation's dutiful diplomats.

I urge my colleagues to join me in voting for H.R. 4989.

The SPEAKER pro tempore (Mr. POE of Texas). The question is on the motion offered by the gentleman from California (Mr. ROYCE) that the House suspend the rules and pass the bill, H.R. 4989.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the ayes have it.

Mr. ROYCE of California. Mr. Speaker, on that I demand the yeas and nays. The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this motion will be postponed.

BETTER UTILIZATION OF INVESTMENTS LEADING TO DEVELOPMENT ACT OF 2018

Mr. ROYCE of California. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5105) to establish the United States International Development Finance Corporation, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 5105

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the “Better Utilization of Investments Leading to Development Act of 2018” or the “BUILD Act of 2018”.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.

Sec. 2. Definitions.

TITLE I—ESTABLISHMENT

Sec. 101. Statement of policy.

Sec. 102. United States International Development Finance Corporation.

Sec. 103. Management of Corporation.

Sec. 104. Inspector General of the Corporation.

Sec. 105. Independent accountability mechanism.

TITLE II—AUTHORITIES

Sec. 201. Authorities relating to provision of support.

Sec. 202. Terms and conditions.
 Sec. 203. Payment of losses.
 Sec. 204. Termination.

TITLE III—ADMINISTRATIVE AND GENERAL PROVISIONS

Sec. 301. Operations.
 Sec. 302. Corporate powers.
 Sec. 303. Maximum contingent liability.
 Sec. 304. Corporate funds.
 Sec. 305. Coordination with other development agencies.

TITLE IV—MONITORING, EVALUATION, AND REPORTING

Sec. 401. Establishment of risk and audit committees.
 Sec. 402. Performance measures, evaluation, and learning.
 Sec. 403. Annual report.
 Sec. 404. Publicly available project information.
 Sec. 405. Engagement with investors.
 Sec. 406. Notification of support to be provided by the Corporation.

TITLE V—CONDITIONS, RESTRICTIONS, AND PROHIBITIONS

Sec. 501. Limitations and preferences.
 Sec. 502. Additionality and avoidance of market distortion.
 Sec. 503. Prohibition on support in sanctioned countries and with sanctioned persons.
 Sec. 504. Penalties for misrepresentation, fraud, and bribery.

TITLE VI—TRANSITIONAL PROVISIONS

Sec. 601. Definitions.
 Sec. 602. Reorganization plan.
 Sec. 603. Transfer of functions.
 Sec. 604. Termination of Overseas Private Investment Corporation and other superceded authorities.
 Sec. 605. Transitional authorities.
 Sec. 606. Savings provisions.
 Sec. 607. Other terminations.
 Sec. 608. Incidental transfers.
 Sec. 609. Reference.
 Sec. 610. Conforming amendments.

SEC. 2. DEFINITIONS.

In this Act:

(1) **APPROPRIATE CONGRESSIONAL COMMITTEES.**—The term “appropriate congressional committees” means—

(A) the Committee on Foreign Relations and the Committee on Appropriations of the Senate; and

(B) the Committee on Foreign Affairs and the Committee on Appropriations of the House of Representatives.

(2) **LESS DEVELOPED COUNTRY.**—The term “less developed country” means a country with a low-income economy, lower-middle-income economy, or upper-middle-income economy, as defined by the International Bank for Reconstruction and Development and the International Development Association (collectively referred to as the “World Bank”).

(3) **PREDECESSOR AUTHORITY.**—The term “predecessor authority” means authorities repealed by title VI.

(4) **QUALIFYING SOVEREIGN ENTITY.**—The term “qualifying sovereign entity” means—

(A) any agency or instrumentality of a foreign state (as defined in section 1603 of title 28, United States Code) that has a purpose that is similar to the purpose of the Corporation as described in section 102(b); or

(B) any international financial institution (as defined in section 1701(c) of the International Financial Institutions Act (22 U.S.C. 262r(c))).

TITLE I—ESTABLISHMENT

SEC. 101. STATEMENT OF POLICY.

It is the policy of the United States to facilitate market-based private sector development and economic growth in less developed

countries through the provision of credit, capital, and other financial support—

(1) to mobilize private capital in support of sustainable, broad-based economic growth, poverty reduction, and development through demand-driven partnerships with the private sector that further the foreign policy interests of the United States;

(2) to finance development that builds and strengthens civic institutions, promotes competition, and provides for public accountability and transparency;

(3) to help private sector actors overcome identifiable market gaps and inefficiencies without distorting markets;

(4) to achieve clearly defined economic and social development outcomes;

(5) to coordinate with institutions with purposes similar to the purposes of the Corporation to leverage resources of those institutions to produce the greatest impact;

(6) to provide countries a robust alternative to state-directed investments by authoritarian governments and United States strategic competitors using high standards of transparency and environmental and social safeguards, and which take into account the debt sustainability of partner countries;

(7) to leverage private sector capabilities and innovative development tools to help countries transition from recipients of bilateral development assistance toward increased self-reliance; and

(8) to complement and be guided by overall United States foreign policy, development, and national security objectives, taking into account the priorities and needs of countries receiving support.

SEC. 102. UNITED STATES INTERNATIONAL DEVELOPMENT FINANCE CORPORATION.

(a) **ESTABLISHMENT.**—There is established in the Executive branch the United States International Development Finance Corporation (in this Act referred to as the “Corporation”), which shall be a wholly owned Government corporation for purposes of chapter 91 of title 31, United States Code, under the foreign policy guidance of the Secretary of State.

(b) **PURPOSE.**—The purpose of the Corporation shall be to mobilize and facilitate the participation of private sector capital and skills in the economic development of less developed countries, as described in subsection (c), and countries in transition from nonmarket to market economies, in order to complement the development assistance objectives, and advance the foreign policy interests, of the United States. In carrying out its purpose, the Corporation, utilizing broad criteria, shall take into account in its financing operations the economic and financial soundness and development objectives of projects for which it provides support under title II.

(c) **LESS DEVELOPED COUNTRY FOCUS.**—

(1) **IN GENERAL.**—The Corporation shall prioritize the provision of support under title II in less developed countries with a low-income economy or a lower-middle-income economy.

(2) **SUPPORT IN UPPER-MIDDLE-INCOME COUNTRIES.**—The Corporation shall restrict the provision of support under title II in a less developed country with an upper-middle-income economy unless—

(A) the President certifies to the appropriate congressional committees that such support furthers the national economic or foreign policy interests of the United States; and

(B) such support is likely to be highly developmental or provide developmental benefits to the poorest population of that country.

SEC. 103. MANAGEMENT OF CORPORATION.

(a) **STRUCTURE OF CORPORATION.**—There shall be in the Corporation a Board of Directors (in this Act referred to as the “Board”), a Chief Executive Officer, a Deputy Chief Executive Officer, a Chief Risk Officer, a Chief Development Officer, and such other officers as the Board may determine.

(b) **BOARD OF DIRECTORS.**—

(1) **DUTIES.**—All powers of the Corporation shall vest in and be exercised by or under the authority of the Board. The Board—

(A) shall perform the functions specified to be carried out by the Board in this Act;

(B) may prescribe, amend, and repeal by-laws, rules, regulations, policies, and procedures governing the manner in which the business of the Corporation may be conducted and in which the powers granted to the Corporation by law may be exercised; and

(C) shall develop, in consultation with stakeholders and other interested parties, a publicly-available policy with respect to consultations, hearings, and other forms of engagement in order to provide for meaningful public participation in the Board’s activities.

(2) **MEMBERSHIP OF BOARD.**—

(A) **IN GENERAL.**—The Board shall consist of—

(i) the Chief Executive Officer of the Corporation;

(ii) the officers specified in subparagraph (B); and

(iii) four other individuals who shall be appointed by the President, by and with the advice and consent of the Senate, of which—

(I) one individual should be appointed from among a list of at least five individuals submitted by the majority leader of the Senate after consultation with the chairman of the Committee on Foreign Relations of the Senate;

(II) one individual should be appointed from among a list of at least five individuals submitted by the minority leader of the Senate after consultation with the ranking member of the Committee on Foreign Relations of the Senate;

(III) one individual should be appointed from among a list of at least five individuals submitted by the Speaker of the House of Representatives after consultation with the chairman of the Committee on Foreign Affairs of the House of Representatives; and

(IV) one individual should be appointed from among a list of at least five individuals submitted by the minority leader of the House of Representatives after consultation with the ranking member of the Committee on Foreign Affairs of the House of Representatives.

(B) **OFFICERS SPECIFIED.**—

(i) **IN GENERAL.**—The officers specified in this subparagraph are the following:

(I) The Secretary of State or a designee of the Secretary.

(II) The Administrator of the United States Agency for International Development or a designee of the Administrator.

(III) The Secretary of the Treasury or a designee of the Secretary.

(IV) The Secretary of Commerce or a designee of the Secretary.

(i) **REQUIREMENTS FOR DESIGNEES.**—A designee under clause (i) shall be selected from among officers—

(I) appointed by the President, by and with the advice and consent of the Senate;

(II) whose duties relate to the programs of the Corporation; and

(III) who is designated by and serving at the pleasure of the President.

(C) **REQUIREMENTS FOR NONGOVERNMENT MEMBERS.**—A member of the Board described in subparagraph (A)(iii)—

(i) may not be an officer or employee of the United States Government;

(ii) shall have relevant experience, which may include experience relating to the private sector, the environment, labor organizations, or international development, to carry out the purpose of the Corporation;

(iii) shall be appointed for a term of 3 years and may be reappointed for one additional term;

(iv) shall serve until the member's successor is appointed and confirmed;

(v) shall be compensated at a rate equivalent to that of level IV of the Executive Schedule under section 5315 of title 5, United States Code, when engaged in the business of the Corporation; and

(vi) may be paid per diem in lieu of subsistence at the applicable rate under the Federal Travel Regulation under subtitle F of title 41, Code of Federal Regulations, from time to time, while away from the home or usual place of business of the member.

(3) **CHAIRPERSON.**—There shall be a Chairperson of the Board designated by the President from among the individuals described in paragraph (2)(A).

(4) **VICE CHAIRPERSON.**—The Administrator of the United States Agency for International Development, or the designee of the Administrator under paragraph (2)(B)(i)(II), shall serve as the Vice Chairperson of the Board.

(5) **QUORUM.**—Five members of the Board shall constitute a quorum for the transaction of business by the Board.

(c) **PUBLIC HEARINGS.**—

(1) **PUBLIC HEARINGS BY THE BOARD.**—The Board shall hold at least one public hearing each year in order to afford an opportunity for any person to present views with respect to whether—

(A) the Corporation is carrying out its activities in accordance with this Act; and

(B) any support provided by the Corporation under title II in any country should be suspended, expanded, or extended.

(2) **ADDITIONAL PUBLIC HEARINGS.**—In conjunction with each meeting of the Board, the Corporation shall hold a public hearing in order to afford an opportunity for any person to present views regarding the activities of the Corporation. Such views shall be made part of the record.

(d) **CHIEF EXECUTIVE OFFICER.**—

(1) **APPOINTMENT.**—There shall be in the Corporation a Chief Executive Officer, who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall serve at the pleasure of the President.

(2) **AUTHORITIES AND DUTIES.**—The Chief Executive Officer shall be responsible for the management of the Corporation and shall exercise the powers and discharge the duties of the Corporation subject to the bylaws, rules, regulations, and procedures established by the Board.

(3) **RELATIONSHIP TO BOARD.**—The Chief Executive Officer shall report to and be under the direct authority of the Board.

(4) **COMPENSATION.**—Section 5313 of title 5, United States Code, is amended by adding at the end the following:

“Chief Executive Officer, United States International Development Finance Corporation.”

(e) **DEPUTY CHIEF EXECUTIVE OFFICER.**—There shall be in the Corporation a Deputy Chief Executive Officer, who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall serve at the pleasure of the President.

(f) **CHIEF RISK OFFICER.**—

(1) **APPOINTMENT.**—Subject to the approval of the Board, the Chief Executive Officer of the Corporation shall appoint a Chief Risk Officer, from among individuals with experi-

ence at a senior level in financial risk management, who—

(A) shall report directly to the Board; and

(B) shall be removable only by a majority vote of the Board.

(2) **DUTIES.**—The Chief Risk Officer shall, in coordination with the audit committee of the Board established under section 401, develop, implement, and manage a comprehensive process for identifying, assessing, monitoring, and limiting risks to the Corporation, including the overall portfolio diversification of the Corporation.

(g) **CHIEF DEVELOPMENT OFFICER.**—

(1) **APPOINTMENT.**—Subject to the approval of the Board, the Chief Executive Officer, in conjunction with the Administrator of the United States Agency for International Development, shall appoint a Chief Development Officer, from among individuals with experience in development, who—

(A) shall report directly to the Board; and

(B) shall be removable only by a majority vote of the Board.

(2) **DUTIES.**—The Chief Development Officer shall—

(A) coordinate the Corporation's development policies and implementation efforts with the United States Agency for International Development, the Millennium Challenge Corporation, and other relevant United States Government departments and agencies, including directly liaising with missions of the United States Agency for International Development, to ensure that departments, agencies, and missions have training, awareness, and access to the Corporation's tools in relation to development policy and projects in countries;

(B) under the guidance of the Chief Executive Officer, manage employees of the Corporation that are dedicated to structuring, monitoring and evaluating transactions and projects co-designed with the United States Agency for International Development and other relevant United States Government departments and agencies;

(C) authorize and coordinate transfers of funds or other resources to and from such agencies, departments, or missions upon the concurrence of those institutions in support of the Corporation's projects or activities; and

(D) coordinate and implement the activities of the Corporation under section 405.

(h) **OFFICERS AND EMPLOYEES.**—

(1) **IN GENERAL.**—Except as otherwise provided in this section, officers, employees, and agents shall be selected and appointed by the Corporation, and shall be vested with such powers and duties as the Corporation may determine.

(2) **ADMINISTRATIVELY DETERMINED EMPLOYEES.**—

(A) **APPOINTMENT; COMPENSATION; REMOVAL.**—Of officers and employees employed by the Corporation under paragraph (1), not more than 50 may be appointed, compensated, or removed without regard to title 5, United States Code.

(B) **REINSTATEMENT.**—Under such regulations as the President may prescribe, officers and employees appointed to a position under subparagraph (A) may be entitled, upon removal from such position (unless the removal was for cause), to reinstatement to the position occupied at the time of appointment or to a position of comparable grade and salary.

(C) **ADDITIONAL POSITIONS.**—Positions authorized by subparagraph (A) shall be in addition to those otherwise authorized by law, including positions authorized under section 5108 of title 5, United States Code.

(D) **RATES OF PAY FOR OFFICERS AND EMPLOYEES.**—The Corporation may set and adjust rates of basic pay for officers and employees appointed under subparagraph (A)

without regard to the provisions of chapter 51 or subchapter III of chapter 53 of title 5, United States Code, relating to classification of positions and General Schedule pay rates, respectively.

(3) **LIABILITY OF EMPLOYEES.**—

(A) **IN GENERAL.**—An individual who is a member of the Board or an officer or employee of the Corporation has no liability under this Act with respect to any claim arising out of or resulting from any act or omission by the individual within the scope of the employment of the individual in connection with any transaction by the Corporation.

(B) **RULE OF CONSTRUCTION.**—Subparagraph (A) shall not be construed to limit personal liability of an individual for criminal acts or omissions, willful or malicious misconduct, acts or omissions for private gain, or any other acts or omissions outside the scope of the individual's employment.

(C) **SAVINGS PROVISION.**—This paragraph shall not be construed—

(i) to affect—

(I) any other immunities and protections that may be available to an individual described in subparagraph (A) under applicable law with respect to a transaction described in that subparagraph; or

(II) any other right or remedy against the Corporation, against the United States under applicable law, or against any person other than an individual described in subparagraph (A) participating in such a transaction; or

(ii) to limit or alter in any way the immunities that are available under applicable law for Federal officers and employees not described in this paragraph.

SEC. 104. INSPECTOR GENERAL OF THE CORPORATION.

The President shall appoint and maintain an Inspector General in the Corporation, in accordance with the Inspector General Act of 1978 (5 U.S.C. App.).

SEC. 105. INDEPENDENT ACCOUNTABILITY MECHANISM.

(a) **IN GENERAL.**—The Board shall establish a transparent and independent accountability mechanism.

(b) **FUNCTIONS.**—The independent accountability mechanism established pursuant to subsection (a) shall—

(1) annually evaluate and report to the Board and Congress regarding compliance with environmental, social, labor, human rights, and transparency standards, consistent with Corporation statutory mandates;

(2) provide a forum for resolving concerns regarding the impacts of specific Corporation-supported projects with respect to such standards; and

(3) provide advice regarding Corporation projects, policies, and practices.

TITLE II—AUTHORITIES

SEC. 201. AUTHORITIES RELATING TO PROVISION OF SUPPORT.

(a) **IN GENERAL.**—The authorities in this title should only be exercised to—

(1) carry out of the policy of the United States in section 101 and the purpose of the Corporation in section 102;

(2) mitigate risks to United States taxpayers by sharing risks with the private sector and qualifying sovereign entities through co-financing and structuring of tools; and

(3) ensure that support provided under this title is additional to private sector resources by mobilizing private capital that would otherwise not be deployed without such support.

(b) **LENDING AND GUARANTIES.**—

(1) **IN GENERAL.**—The Corporation may make loans or guaranties upon such terms and conditions as the Corporation may determine.

(2) **DENOMINATION.**—Loans and guaranties issued under paragraph (1) may be denominated and repayable in United States dollars or foreign currencies. Foreign currency denominated loans and guaranties should only be provided if the Board determines there is a substantive policy rationale for such loans and guaranties.

(3) **APPLICABILITY OF FEDERAL CREDIT REFORM ACT OF 1990.**—Loans and guaranties issued under paragraph (1) shall be subject to the requirements of the Federal Credit Reform Act of 1990 (2 U.S.C. 661 et seq.).

(c) **EQUITY INVESTMENTS.**—

(1) **IN GENERAL.**—The Corporation may, as a minority investor, support projects with funds or use other mechanisms for the purpose of purchasing, and may make and fund commitments to purchase, invest in, make pledges in respect of, or otherwise acquire, equity or quasi-equity securities or shares or financial interests of any entity, including as a limited partner or other investor in investment funds, upon such terms and conditions as the Corporation may determine.

(2) **DENOMINATION.**—Support provided under paragraph (1) may be denominated and repayable in United States dollars or foreign currency. Foreign currency denominated support provided by paragraph (1) should only be provided if the Board determines there is a substantive policy rationale for such support.

(3) **GUIDELINES AND CRITERIA.**—The Corporation shall develop guidelines and criteria to require that the use of the authority provided by paragraph (1) with respect to a project has a clearly defined development and foreign policy purpose, taking into account the following objectives:

(A) The support for the project would be more likely than not to substantially reduce or overcome the effect of an identified market failure in the country in which the project is carried out.

(B) The project would not have proceeded or would have been substantially delayed without the support.

(C) The support would meaningfully contribute to transforming local conditions to promote the development of markets.

(D) The support can be shown to be aligned with commercial partner incentives.

(E) The support can be shown to have significant developmental impact and will contribute to long-term commercial sustainability.

(F) The support furthers the policy of the United States described in section 101.

(4) **LIMITATIONS ON EQUITY INVESTMENTS.**—

(A) **PER PROJECT LIMIT.**—The aggregate amount of support provided under this subsection with respect to any project shall not exceed 30 percent of the aggregate amount of all equity investment made from any source to the project at the time that the Corporation approves support of the project.

(B) **TOTAL LIMIT.**—Support provided pursuant to this subsection shall be limited to not more than 35 percent of the Corporation's aggregate exposure on the date that such support is provided.

(5) **SALES AND LIQUIDATION OF POSITION.**—The Corporation shall seek to sell and liquidate any support for a project provided under this subsection as soon as commercially feasible, commensurate with other similar investors in the project and taking into consideration the national security interests of the United States.

(6) **TIMETABLE.**—The Corporation shall create a project-specific timetable for support provided under paragraph (1).

(d) **INSURANCE AND REINSURANCE.**—The Corporation may issue insurance or reinsurance, upon such terms and conditions as the Corporation may determine, to private sector entities and qualifying sovereign entities as-

suring protection of their investments in whole or in part against any or all political risks such as currency inconvertibility and transfer restrictions, expropriation, war, terrorism, civil disturbance, breach of contract, or nonhonoring of financial obligations.

(e) **PROMOTION OF AND SUPPORT FOR PRIVATE INVESTMENT OPPORTUNITIES.**—

(1) **IN GENERAL.**—In order to carry out the purpose of the Corporation described in section 102(b), the Corporation may initiate and support, through financial participation, incentive grant, or otherwise, and on such terms and conditions as the Corporation may determine, feasibility studies for the planning, development, and management of, and procurement for, potential bilateral and multilateral development projects eligible for support under this title, including training activities undertaken in connection with such projects, for the purpose of promoting investment in such projects and the identification, assessment, surveying, and promotion of private investment opportunities, utilizing wherever feasible and effective, the facilities of private investors.

(2) **CONTRIBUTIONS TO COSTS.**—The Corporation shall, to the maximum extent practicable, require any person receiving funds under the authorities of this subsection to—

(A) share the costs of feasibility studies and other project planning services funded under this subsection; and

(B) reimburse the Corporation those funds provided under this section, if the person succeeds in project implementation.

(f) **SPECIAL PROJECTS AND PROGRAMS.**—The Corporation may administer and manage special projects and programs in support of specific transactions undertaken by the Corporation, including programs of financial and advisory support that provide private technical, professional, or managerial assistance in the development of human resources, skills, technology, capital savings, or intermediate financial and investment institutions or cooperatives and including the initiation of incentives, grants, and studies for renewable energy, women's economic empowerment, microenterprise households, or other small business activities.

(g) **ENTERPRISE FUNDS.**—

(1) **IN GENERAL.**—The Corporation may, following consultation with the Secretary of State, the Administrator of the United States Agency for International Development, and the heads of other relevant departments or agencies, establish and operate enterprise funds in accordance with this subsection.

(2) **PROCEDURES AND REQUIREMENTS.**—The provisions of section 201 of the Support for East European Democracy (SEED) Act of 1989 (22 U.S.C. 5421) (other than the provisions of subsections (a), (b), (c), (d)(1), (d)(3), (e), (f), and (j) of that section), shall be deemed to apply with respect to any enterprise fund established by the Corporation under this subsection and to funds made available to any such enterprise fund in the same manner and to the same extent as such provisions apply with respect to enterprise funds established pursuant to such section 201 or to funds made available to enterprise funds established under that section.

(3) **PURPOSES FOR WHICH SUPPORT MAY BE PROVIDED.**—The Corporation, subject to the approval of the Board, may designate private, nonprofit organizations as eligible to receive support under this title for the following purposes:

(A) To promote development of economic freedom and private sectors, including small- and medium-sized enterprises and joint ventures with the United States and host country participants.

(B) To facilitate access to credit to small- and medium-sized enterprises with sound

business plans in countries where there is limited means of accessing credit on market terms.

(C) To promote policies and practices conducive to economic freedom and private sector development.

(D) To attract foreign direct investment capital to further promote private sector development and economic freedom.

(E) To complement the work of the United States Agency for International Development and other donors to improve the overall business-enabling environment, financing the creation and expansion of the private business sector.

(F) To make financially sustainable investments designed to generate measurable social benefits and build technical capacity in addition to financial returns.

(4) **OPERATION OF FUNDS.**—

(A) **EXPENDITURES.**—Funds made available to an enterprise fund shall be expended at the minimum rate necessary to make timely payments for projects and activities carried out under this subsection.

(B) **ADMINISTRATIVE EXPENSES.**—Not more than 3 percent per annum of the funds made available to an enterprise fund may be obligated or expended for the administrative expenses of the enterprise fund.

(5) **BOARD OF DIRECTORS.**—Each enterprise fund established under this subsection should be governed by a Board of Directors comprised of private citizens of the United States or the host country, who—

(A) shall be appointed by the President after consultation with the chairmen and ranking members of the appropriate congressional committees; and

(B) have pursued careers in international business and have demonstrated expertise in international and emerging market investment activities.

(6) **MAJORITY MEMBER REQUIREMENT.**—The majority of the members of the Board of Directors shall be United States citizens who shall have relevant experience relating to the purposes described in paragraph (3).

(7) **REPORTS.**—Not later than one year after the date of the establishment of an enterprise fund under this subsection, and annually thereafter until the enterprise fund terminates in accordance with paragraph (10), the Board of Directors of the enterprise fund shall—

(A) submit to the appropriate congressional committees a report—

(i) detailing the administrative expenses of the enterprise fund during the year preceding the submission of the report;

(ii) describing the operations, activities, engagement with civil society and relevant local private sector entities, development objectives and outcomes, financial condition, and accomplishments of the enterprise fund during that year;

(iii) describing the results of any audit conducted under paragraph (8); and

(iv) describing how audits conducted under paragraph (8) are informing the operations and activities of the enterprise fund; and

(B) publish, on a publicly available internet website of the enterprise fund, each report required by subparagraph (A).

(8) **OVERSIGHT.**—

(A) **INSPECTOR GENERAL PERFORMANCE AUDITS.**—

(i) **IN GENERAL.**—The Inspector General of the Corporation shall conduct periodic audits of the activities of each enterprise fund established under this subsection.

(ii) **CONSIDERATION.**—In conducting an audit under clause (i), the Inspector General shall assess whether the activities of the enterprise fund—

(I) support the purposes described in paragraph (3);

(II) result in profitable private sector investing; and

(III) generate measurable social benefits.

(B) **RECORDKEEPING REQUIREMENTS.**—The Corporation shall ensure that each enterprise fund receiving support under this subsection—

(i) keeps separate accounts with respect to such support; and

(ii) maintains such records as may be reasonably necessary to facilitate effective audits under this paragraph.

(9) **RETURN OF FUNDS TO TREASURY.**—Any funds resulting from any liquidation, dissolution, or winding up of an enterprise fund, in whole or in part, shall be returned to the Treasury of the United States.

(10) **TERMINATION.**—The authority of an enterprise fund to provide support under this subsection shall terminate on the earlier of—

(A) the date that is 7 years after the date of the first expenditure of amounts from the enterprise fund; or

(B) the date on which the enterprise fund is liquidated.

(h) **SUPERVISION OF SUPPORT.**—Support provided under this title shall be subject to section 622(c) of the Foreign Assistance Act of 1961 (22 U.S.C. 2382(c)).

SEC. 202. TERMS AND CONDITIONS.

(a) **IN GENERAL.**—Except as provided in subsection (b), support provided by the Corporation under this title shall be on such terms and conditions as the Corporation may prescribe.

(b) **REQUIREMENTS.**—The following requirements apply to support provided by the Corporation under this title:

(1) The Corporation shall provide support using authorities under this title only if it is necessary—

(A) to alleviate a credit market imperfection; or

(B) to achieve specified development or foreign policy objectives of the United States Government by providing support in the most efficient way to meet those objectives on a case-by-case basis.

(2) The final maturity of a loan made or guaranteed by the Corporation shall not exceed the lesser of—

(A) 25 years; or

(B) debt servicing capabilities of the project to be financed by the loan (as determined by the Corporation).

(3) The Corporation shall, with respect to providing any loan guaranty to a project, require the parties to the project to bear the risk of loss in an amount equal to at least 20 percent of the guaranteed support by the Corporation in the project.

(4) The Corporation may not make or guarantee a loan unless the Corporation determines that the borrower or lender is responsible and that adequate provision is made for servicing the loan on reasonable terms and protecting the financial interest of the United States.

(5) The interest rate for direct loans and interest supplements on guaranteed loans shall be set by reference to a benchmark interest rate (yield) on marketable Treasury securities or other widely recognized or appropriate benchmarks with a similar maturity to the loans being made or guaranteed, as determined in consultation with the Director of the Office of Management and Budget and the Secretary of the Treasury. The Corporation shall establish appropriate minimum interest rates for loans, guaranties, and other instruments as necessary.

(6) The minimum interest rate for new loans as established by the Corporation shall be adjusted periodically to take account of changes in the interest rate of the benchmark financial instrument.

(7)(A) The Corporation shall set fees or premiums for support provided under this title

at levels that minimize the cost to the Government while supporting achievement of the objectives of support.

(B) The Corporation shall review fees for loan guaranties periodically to ensure that the fees assessed on new loan guaranties are at a level sufficient to cover the Corporation's most recent estimates of its costs.

(8) Any loan guaranty provided by the Corporation shall be conclusive evidence that—

(A) the guaranty has been properly obtained;

(B) the loan qualified for the guaranty; and

(C) but for fraud or material misrepresentation by the holder of the guaranty, the guaranty is presumed to be valid, legal, and enforceable.

(9) The Corporation shall prescribe explicit standards for use in periodically assessing the credit risk of new and existing direct loans or guaranteed loans.

(10) The Corporation may not make loans or loan guaranties except to the extent that budget authority to cover the costs of the loans or guaranties is provided in advance in an appropriations Act, as required by section 504 of the Federal Credit Reform Act of 1990 (2 U.S.C. 661c).

(11) The Corporation shall rely upon specific standards to assess the developmental and strategic value of projects for which it provides support and should only provide the minimum level of support necessary in order to support such projects.

(12) Any loan or loan guaranty made by the Corporation should be provided on a senior basis or *pari passu* with other senior debt unless there is a substantive policy rationale to provide such support otherwise.

SEC. 203. PAYMENT OF LOSSES.

(a) **PAYMENTS FOR DEFAULTS ON GUARANTEED LOANS.**—

(1) **IN GENERAL.**—If the Corporation determines that the holder of a loan guaranteed by the Corporation suffers a loss as a result of a default by a borrower on the loan, the Corporation shall pay to the holder the percent of the loss, as specified in the guaranty contract after the holder of the loan has made such further collection efforts and instituted such enforcement proceedings as the Corporation may require.

(2) **SUBROGATION.**—Upon making a payment described in paragraph (1), the Corporation shall ensure the Corporation will be subrogated to all the rights of the recipient of the payment.

(3) **RECOVERY EFFORTS.**—The Corporation shall pursue recovery from the borrower of the amount of any payment made under paragraph (1) with respect to the loan.

(b) **LIMITATION ON PAYMENTS.**—

(1) **IN GENERAL.**—Except as provided by paragraph (2), compensation for insurance, reinsurance, or a guaranty issued under this title shall not exceed the dollar value of the tangible or intangible contributions or commitments made in the project, plus interest, earnings, or profits actually accrued on such contributions or commitments, to the extent provided by such insurance, reinsurance, or guaranty.

(2) **EXCEPTION.**—

(A) **IN GENERAL.**—The Corporation may provide that—

(i) appropriate adjustments in the insured dollar value be made to reflect the replacement cost of project assets; and

(ii) compensation for a claim of loss under insurance of an equity investment under section 201(d) may be computed on the basis of the net book value attributable to the equity investment on the date of loss.

(3) **ADDITIONAL LIMITATION.**—

(A) **IN GENERAL.**—Notwithstanding paragraph (2)(A)(ii) and except as provided in subparagraph (B), the Corporation shall

limit the amount of direct insurance and reinsurance issued under section 201 with respect to a project so as to require that the insured and its affiliates bear the risk of loss for at least 10 percent of the amount of the Corporation's exposure to that insured and its affiliates in the project.

(B) **EXCEPTION.**—The limitation under subparagraph (A) shall not apply to direct insurance or reinsurance of loans provided by banks or other financial institutions to unrelated parties.

(c) **ACTIONS BY ATTORNEY GENERAL.**—The Attorney General shall take such action as may be appropriate to enforce any right accruing to the United States as a result of the issuance of any loan or guaranty under this title.

(d) **RULE OF CONSTRUCTION.**—Nothing in this section shall be construed to preclude any forbearance for the benefit of a borrower that may be agreed upon by the parties to a loan guaranteed by the Corporation if budget authority for any resulting costs to the United States Government (as defined in section 502 of the Federal Credit Reform Act of 1990 (2 U.S.C. 661a)) is available.

SEC. 204. TERMINATION.

(a) **IN GENERAL.**—The authorities provided under this title terminate on the date that is 7 years after the date of the enactment of this Act.

(b) **TERMINATION OF CORPORATION.**—The Corporation shall terminate on the date on which the portfolio of the Corporation is liquidated.

TITLE III—ADMINISTRATIVE AND GENERAL PROVISIONS

SEC. 301. OPERATIONS.

(a) **BILATERAL AGREEMENTS.**—The Corporation may provide support under title II in connection with projects in any country the government of which has entered into an agreement with the United States authorizing the Corporation to provide such support in that country.

(b) **CLAIMS SETTLEMENT.**—

(1) **IN GENERAL.**—Claims arising as a result of support provided under title II or under predecessor authority may be settled, and disputes arising as a result thereof may be arbitrated with the consent of the parties, on such terms and conditions as the Corporation may determine.

(2) **SETTLEMENTS CONCLUSIVE.**—Payment made pursuant to any settlement pursuant to paragraph (1), or as a result of an arbitration award, shall be final and conclusive notwithstanding any other provision of law.

(c) **PRESUMPTION OF COMPLIANCE.**—Each contract executed by such officer or officers as may be designated by the Board shall be conclusively presumed to be issued in compliance with the requirements of this Act.

(d) **ELECTRONIC PAYMENTS AND DOCUMENTS.**—The Corporation shall implement policies to accept electronic documents and electronic payments in all of its programs.

SEC. 302. CORPORATE POWERS.

(a) **IN GENERAL.**—The Corporation—

(1) may adopt, alter, and use a seal, to include an identifiable symbol of the United States;

(2) may make and perform such contracts, including no-cost contracts (as defined by the Corporation), grants, and other agreements notwithstanding division C of subtitle I of title 41, United States Code, with any person or government however designated and wherever situated, as may be necessary for carrying out the functions of the Corporation;

(3) may lease, purchase, or otherwise acquire, improve, and use such real property wherever situated, as may be necessary for carrying out the functions of the Corporation and which, if done for the Corporation's

own occupancy, shall be made in consultation with the Administrator of General Services;

(4) may accept cash gifts or donations of services or of property (real, personal, or mixed), tangible or intangible, for the purpose of carrying out the functions of the Corporation;

(5) may use the United States mails in the same manner and on the same conditions as the Executive departments (as defined in section 101 of title 5, United States Code);

(6) may contract with individuals for personal services, who shall not be considered Federal employees for any provision of law administered by the Director of the Office of Personnel Management;

(7) may hire or obtain passenger motor vehicles;

(8) may sue and be sued in its corporate name;

(9) may acquire, hold, or dispose of, upon such terms and conditions as the Corporation may determine, any property, real, personal, or mixed, tangible or intangible, or any interest in such property and which, if done for the Corporation's own occupancy, shall be made in consultation with the Administrator of General Services;

(10) may lease office space for the Corporation's own use, with the obligation of amounts for such lease limited to the current fiscal year for which payments are due until the expiration of the current lease under predecessor authority, as of the day before the date of the enactment of this Act;

(11) may indemnify directors, officers, employees, and agents of the Corporation for liabilities and expenses incurred in connection with their activities on behalf of the Corporation;

(12) notwithstanding any other provision of law, may represent itself or contract for representation in any legal or arbitral proceeding;

(13) may exercise any priority of the Government of the United States in collecting debts from bankrupt, insolvent, or decedents' estates;

(14) may collect, notwithstanding section 3711(g)(1) of title 31, United States Code, or compromise any obligations assigned to or held by the Corporation, including any legal or equitable rights accruing to the Corporation;

(15) may make arrangements with foreign governments (including agencies, instrumentalities, or political subdivisions of such governments) or with multilateral organizations or institutions for sharing liabilities;

(16) may sell direct investments of the Corporation to private investors upon such terms and conditions as the Corporation may determine; and

(17) shall have such other powers as may be necessary and incident to carrying out the functions of the Corporation.

(b) **TREATMENT OF PROPERTY.**—Notwithstanding any other provision of law relating to the acquisition, handling, or disposal of property by the United States, the Corporation shall have the right in its discretion to complete, recondition, reconstruct, renovate, repair, maintain, operate, or sell any property acquired by the Corporation pursuant to the provisions of this Act and which, if done for the Corporation's own occupancy, shall be made in consultation with the Administrator of General Services.

SEC. 303. MAXIMUM CONTINGENT LIABILITY.

(a) **IN GENERAL.**—The maximum contingent liability of the Corporation outstanding at any one time shall not exceed in the aggregate the amount specified in subsection (b).

(b) **AMOUNT SPECIFIED.**—

(1) **INITIAL 5-YEAR PERIOD.**—The amount specified in this subsection for the 5-year pe-

riod beginning on the date of the enactment of this Act, is \$60,000,000,000.

(2) **SUBSEQUENT 5-YEAR PERIODS.**—Not later than 5 years after the date of the enactment of this Act, and not less frequently than every 5 years thereafter, the amount specified in paragraph (1) shall be adjusted to reflect the percentage of the increase (if any) in the average of the Consumer Price Index during the preceding 5-year period.

(3) **CONSUMER PRICE INDEX DEFINED.**—In this subsection, the term "Consumer Price Index" means the most recent Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the Department of Labor.

SEC. 304. CORPORATE FUNDS.

(a) **CORPORATE CAPITAL ACCOUNT.**—There is established in the Treasury of the United States a fund to be known as the "Corporate Capital Account" to carry out the purposes of the Corporation.

(b) **FUNDING.**—The Corporate Capital Account shall consist of—

(1) fees charged and collected pursuant to subsection (c);

(2) any amounts received pursuant to subsection (e);

(3) investments and returns on such investments pursuant to subsection (g);

(4) unexpended balances transferred to the Corporation pursuant to subsection (i);

(5) payments received in connection with settlements of all insurance and reinsurance claims of the Corporation; and

(6) all other collections transferred to or earned by the Corporation, excluding the cost, as defined in section 502 of the Federal Credit Reform Act of 1990 (2 U.S.C. 661a), of loans and loan guaranties.

(c) **FEE AUTHORITY.**—Fees may be charged and collected for providing services in amounts to be determined by the Corporation.

(d) **USES.**—

(1) **IN GENERAL.**—Subject to Acts making appropriations, the Corporation is authorized to pay—

(A) the cost, as defined in section 502 of the Federal Credit Reform Act of 1990, of loans and loan guaranties;

(B) administrative expenses of the Corporation;

(C) for the cost of providing support authorized by subsections (c), (e), (f), and (g) of section 201; and

(D) project-specific transaction costs.

(2) **INCOME AND REVENUE.**—In order to carry out the purposes of the Corporation, all collections transferred to or earned by the Corporation, excluding the cost, as defined in section 502 of the Federal Credit Reform Act of 1990, of loans and loan guaranties, shall be deposited into the Corporate Capital Account and shall be available to carry out its purpose, including without limitation—

(A) payment of all insurance and reinsurance claims of the Corporation;

(B) repayments to the Treasury of amounts borrowed under subsection (e); and

(C) dividend payments to the Treasury under subsection (f).

(e) **FULL FAITH AND CREDIT.**—

(1) **IN GENERAL.**—All support provided pursuant to predecessor authorities or title II shall continue to constitute obligations of the United States, and the full faith and credit of the United States is hereby pledged for the full payment and performance of such obligations.

(2) **AUTHORITY TO BORROW.**—The Corporation is authorized to borrow from the Treasury such sums as may be necessary to fulfill such obligations of the United States and any such borrowing shall be at a rate determined by the Secretary of the Treasury, taking into consideration the current average

market yields on outstanding marketable obligations of the United States of comparable maturities, for a period jointly determined by the Corporation and the Secretary, and subject to such terms and conditions as the Secretary may require.

(f) **DIVIDENDS.**—The Board, in consultation with the Director of the Office of Management and Budget, shall annually assess a dividend payment to the Treasury if the Corporation's insurance portfolio is more than 100 percent reserved.

(g) **INVESTMENT AUTHORITY.**—

(1) **IN GENERAL.**—The Corporation may request the Secretary of the Treasury to invest such portion of the Corporate Capital Account as is not, in the Corporation's judgement, required to meet the current needs of the Corporate Capital Account.

(2) **FORM OF INVESTMENTS.**—Such investments shall be made by the Secretary of the Treasury in public debt obligations, with maturities suitable to the needs of the Corporate Capital Account, as determined by the Corporation, and bearing interest at rates determined by the Secretary, taking into consideration current market yields on outstanding marketable obligations of the United States of comparable maturities.

(h) **COLLECTIONS.**—Interest earnings made pursuant to subsection (g), earnings collected related to equity investments, and amounts, excluding fees related to insurance or reinsurance, collected pursuant to subsection (c), shall not be collected for any fiscal year except to the extent provided in advance in appropriations Acts.

(i) **TRANSFER FROM PREDECESSOR AGENCIES AND PROGRAMS.**—By the date end of the transition period described in title VI, the unexpended balances, assets, and responsibilities of any agency specified in the plan required by section 602 shall be transferred to the Corporation.

(j) **TRANSFER OF FUNDS.**—In order to carry out this Act, funds authorized to be appropriated to carry out the Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.) may be transferred to the Corporation and funds authorized to be appropriated to the Corporation may be transferred to the Department of State and the United States Agency for International Development.

(k) **DEFINITION.**—In this section, the term "project-specific transaction costs"—

(1) means those costs incurred by the Corporation for travel, legal expenses, and direct and indirect costs incurred in claims settlements associated with the provision of support under title II and shall not be considered administrative expenses for the purposes of this section; and

(2) does not include information technology (as such term is defined in section 11101 of title 40, United States Code).

SEC. 305. COORDINATION WITH OTHER DEVELOPMENT AGENCIES.

It is the sense of Congress that the Corporation should use relevant data of the Department of State, the Millennium Challenge Corporation, the United States Agency for International Development, and other departments and agencies that have development functions to better inform the decisions of the Corporation with respect to providing support under title II.

TITLE IV—MONITORING, EVALUATION, AND REPORTING

SEC. 401. ESTABLISHMENT OF RISK AND AUDIT COMMITTEES.

(a) **IN GENERAL.**—To assist the Board to fulfill its duties and responsibilities under section 201(a), the Corporation shall establish a risk committee and an audit committee.

(b) **DUTIES AND RESPONSIBILITIES OF RISK COMMITTEE.**—Subject to the direction of the

Board, the risk committee established under subsection (a) shall have oversight responsibility of—

(1) formulating risk management policies of the operations of the Corporation;

(2) reviewing and providing guidance on operation of the Corporation's global risk management framework;

(3) developing policies for enterprise risk management, monitoring, and management of strategic, reputational, regulatory, operational, developmental, environmental, social, and financial risks;

(4) developing the risk profile of the Corporation, including a risk management and compliance framework and governance structure to support such framework; and

(5) developing policies and procedures for assessing, prior to providing, and for any period during which the Corporation provides, support to any foreign entities, whether such entities have in place sufficient enhanced due diligence policies and practices to prevent money laundering and corruption to ensure the Corporation does not provide support to persons that are—

(A) knowingly engaging in acts of corruption;

(B) knowingly providing material or financial support for terrorism, drug trafficking, or human trafficking; or

(C) responsible for ordering or otherwise directing serious or gross violations of human rights.

(c) **DUTIES AND RESPONSIBILITIES OF AUDIT COMMITTEE.**—Subject to the direction of the Board, the audit committee established under subsection (a) shall have the oversight responsibility of—

(1) the integrity of the Corporation's financial reporting and systems of internal controls regarding finance and accounting;

(2) the integrity of the Corporation's financial statements;

(3) the performance of the Corporation's internal audit function; and

(4) compliance with legal and regulatory requirements related to the finances of the Corporation.

SEC. 402. PERFORMANCE MEASURES, EVALUATION, AND LEARNING.

(a) **IN GENERAL.**—The Corporation shall develop a performance measurement system to evaluate and monitor projects supported by the Corporation under title II and to guide future projects of the Corporation.

(b) **CONSIDERATIONS.**—In developing the performance measurement system required by subsection (a), the Corporation shall—

(1) develop a successor for the development impact measurement system of the Overseas Private Investment Corporation (as such system was in effect on the day before the date of enactment of this Act);

(2) develop a mechanism for ensuring that support provided by the Corporation under title II is in addition to private investment;

(3) develop standards for, and a method for ensuring, appropriate financial performance of the Corporation's portfolio; and

(4) develop standards for, and a method for ensuring, appropriate development performance of the Corporation's portfolio, including—

(A) measurement of the projected and ex post development impact of a project; and

(B) the information necessary to comply with section 403.

(c) **PUBLIC AVAILABILITY OF CERTAIN INFORMATION.**—The Corporation shall make available to the public on a regular basis information about support provided by the Corporation under title II and performance metrics about such support on a country-by-country basis.

(d) **COLLABORATION.**—In developing the performance measurement system required by subsection (a), the Corporation shall consult

with stakeholders and other interested parties engaged in sustainable economic growth and development.

SEC. 403. ANNUAL REPORT.

(a) **IN GENERAL.**—After the end of each fiscal year, the Corporation shall submit to the appropriate congressional committees a complete and detailed report of its operations during that fiscal year, including an assessment of—

(1) the economic and social development impact, including with respect to matters described in subsections (d) and (e) of section 501, of projects supported by the Corporation under title II;

(2) the extent to which the operations of the Corporation complement or are compatible with the development assistance programs of the United States and qualifying sovereign entities;

(3) the Corporation's institutional linkages with other relevant United States Government department and agencies, including efforts to strengthen such linkages; and

(4) the compliance of projects supported by the Corporation under title II with human rights, environmental, labor, and social policies, or other such related policies that govern the Corporation's support for projects, promulgated or otherwise administered by the Corporation.

(b) **ELEMENTS.**—Each annual report required by subsection (a) shall include analyses of the effects of projects supported by the Corporation under title II, including—

(1) reviews and analyses of—

(A) the desired development outcomes for projects and whether or not the Corporation is meeting the associated metrics, goals, and development objectives, including, to the extent practicable, in the years after conclusion of projects; and

(B) the effect of the Corporation's support on access to capital and ways in which the Corporation is addressing identifiable market gaps or inefficiencies and what impact, if any, such support has on access to credit for a specific project, country, or sector;

(2) an explanation of any partnership arrangement or cooperation with a qualifying sovereign entity in support of each project;

(3) projections of—

(A) development outcomes, and whether or not support for projects are meeting the associated performance measures, both during the start-up phase and over the duration of the support, and to the extent practicable, measures of such development outcomes should be on a gender-disaggregated basis, such as changes in employment, access to financial services, enterprise development and growth, and composition of executive boards and senior leadership of enterprises receiving support under title II; and

(B) the value of private sector assets brought to bear relative to the amount of support provided by the Corporation and the value of any other public sector support; and

(4) an assessment of the extent to which lessons learned from the monitoring and evaluation activities of the Corporation, and from annual reports from previous years compiled by the Corporation, have been applied to projects.

SEC. 404. PUBLICLY AVAILABLE PROJECT INFORMATION.

The Corporation shall—

(1) maintain a user-friendly, publicly available, machine-readable database with detailed country-level information, including a description of the support provided by the Corporation under title II; and

(2) include a clear link to information about each project supported by the Corporation under title II on the internet website of the Department of State, "ForeignAssistance.gov", or a successor website or other online publication.

SEC. 405. ENGAGEMENT WITH INVESTORS.

(a) **IN GENERAL.**—The Corporation, acting through the Chief Development Officer, shall, in cooperation with the Administrator of the United States Agency for International Development—

(1) develop a strategic relationship with private sector entities focused at the nexus of business opportunities and development priorities;

(2) engage such entities and reduce business risks primarily through direct transaction support and facilitating investment partnerships;

(3) develop and support tools, approaches, and intermediaries that can mobilize private finance at scale in the developing world;

(4) pursue projects of all sizes, especially those that are small but designed for work in the most underdeveloped areas, including countries with chronic suffering as a result of extreme poverty, fragile institutions, or a history of violence; and

(5) pursue projects consistent with the policy of the United States described in section 101 and the Joint Strategic Plan and the Mission Country Development Cooperation Strategies of the United States Agency for International Development.

(b) **ASSISTANCE.**—To achieve the goals described in subsection (a), the Corporation shall—

(1) develop risk mitigation tools;

(2) provide transaction structuring support for blended finance models;

(3) support intermediaries linking capital supply and demand;

(4) coordinate with other Federal agencies to support or accelerate transactions;

(5) convene financial, donor, civil society, and public sector partners around opportunities for private finance within development priorities;

(6) offer strategic planning and programming assistance to catalyze investment into priority sectors;

(7) provide transaction structuring support;

(8) deliver training and knowledge management tools for engaging private investors;

(9) partner with private sector entities that provide access to capital and expertise; and

(10) identify and screen new investment partners.

(c) **TECHNICAL ASSISTANCE.**—The Corporation shall coordinate with the United States Agency for International Development and other agencies and departments, as necessary, on projects and programs supported by the Corporation that include technical assistance.

SEC. 406. NOTIFICATION OF SUPPORT TO BE PROVIDED BY THE CORPORATION.

(a) **IN GENERAL.**—Not later than 15 days prior to the Corporation making a financial commitment associated with the provision of support under title II in an amount in excess of \$10,000,000, the Chief Executive Officer of the Corporation shall submit to the Committee on Foreign Affairs and the Committee on Appropriations of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate a report in writing that contains the information required by subsection (b).

(b) **INFORMATION REQUIRED.**—The information required by this subsection includes—

(1) the amount of each such financial commitment;

(2) an identification of the recipient or beneficiary; and

(3) a description of the project, activity, or asset and the development goal or purpose to be achieved by providing support by the Corporation.

TITLE V—CONDITIONS, RESTRICTIONS, AND PROHIBITIONS

SEC. 501. LIMITATIONS AND PREFERENCES.

(a) **LIMITATION ON SUPPORT FOR SINGLE ENTITY.**—No entity receiving support from the Corporation under title II may receive more than an amount equal to 5 percent of the Corporation's maximum contingent liability authorized under section 303.

(b) **PREFERENCE FOR SUPPORT FOR PROJECTS SPONSORED BY UNITED STATES PERSONS.**—

(1) **IN GENERAL.**—The Corporation should give preferential consideration to projects sponsored by or involving private sector entities that are United States persons.

(2) **UNITED STATES PERSON DEFINED.**—In this subsection, the term "United States person" means—

(A) a United States citizen; or

(B) an entity significantly beneficially owned by individuals described in subparagraph (A).

(c) **PREFERENCE FOR SUPPORT IN COUNTRIES IN COMPLIANCE WITH INTERNATIONAL TRADE OBLIGATIONS.**—

(1) **CONSULTATIONS WITH UNITED STATES TRADE REPRESENTATIVE.**—Not less frequently than annually, the Corporation shall consult with the United States Trade Representative with respect to the status of countries eligible to receive support from the Corporation under title II and the compliance of those countries with their international trade obligations.

(2) **PREFERENTIAL CONSIDERATION.**—The Corporation shall give preferential consideration to providing support under title II for projects in countries in compliance with or making substantial progress coming into compliance with their international trade obligations.

(d) **WORKER RIGHTS.**—

(1) **IN GENERAL.**—The Corporation should support projects under title II in countries that are taking steps to adopt and implement laws that extend internationally recognized worker rights (as defined in section 507 of the Trade Act of 1974 (19 U.S.C. 2467)) to workers in that country, including any designated zone in that country.

(2) **REQUIRED CONTRACT LANGUAGE.**—The Corporation shall also include the following language, in substantially the following form, in all contracts which the Corporation enters into with eligible investors to provide support under title II: "The person receiving support agrees not to take actions to prevent employees of the foreign enterprise from lawfully exercising their right of association and their right to organize and bargain collectively. The person further agrees to observe applicable laws relating to a minimum age for employment of children, acceptable conditions of work with respect to minimum wages, hours of work, and occupational health and safety, and not to use forced labor or the worst forms of child labor (as defined in section 507 of the Trade Act of 1974 (19 U.S.C. 2467(6))). The person is not responsible under this paragraph for the actions of a foreign government."

(e) **ENVIRONMENTAL AND SOCIAL IMPACT.**—The Board shall not vote in favor of any project proposed to be supported by the Corporation under title II that is likely to have significant adverse environmental or social impacts that are sensitive, diverse, or unprecedented, unless—

(1) at least 60 days before the date of the vote, an environmental and social impact assessment or initial environmental and social audit, analyzing the environmental and social impacts of the proposed project and of alternatives to the proposed project, is completed; and

(2) such assessment or audit has been made available to the public of the United States,

locally affected groups in the country in which the project will be carried out, and nongovernmental organizations in that country.

(f) **WOMEN'S ECONOMIC EMPOWERMENT.**—In utilizing its authorities under title II, the Corporation should consider the impacts of its support on women's economic opportunities and outcomes and make efforts to mitigate gender gaps and maximize development impact by working to improve women's economic opportunities.

(g) **PREFERENCE FOR PROVISION OF SUPPORT IN COUNTRIES EMBRACING PRIVATE ENTERPRISE.**—

(1) **IN GENERAL.**—The Corporation should give preferential consideration to projects for which support under title II may potentially be provided in countries the governments of which have demonstrated consistent support for economic policies that promote the development of private enterprise, both domestic and foreign, and maintaining the conditions that enable private enterprise to make its full contribution to the development of such countries, including—

(A) market-based economic policies;

(B) protecting private property rights;

(C) respect for the rule of law; and

(D) systems to combat corruption and bribery.

(2) **SOURCES OF INFORMATION.**—The Corporation should rely on both third-party indicators and United States Government information, such as the Department of State's Investment Climate Statements, the Department of Commerce's Country Commercial Guides, or the Millennium Challenge Corporation's Constraints Analysis, to assess whether countries meet the conditions described in paragraph (1).

(h) **CONSIDERATION OF FOREIGN BOYCOTT PARTICIPATION.**—In providing support for projects under title II, the Corporation shall consider, using information readily available, whether the project is sponsored by or substantially affiliated with any person taking or knowingly agreeing to take actions, or having taken or knowingly agreed to take actions within the past three years, which demonstrate or otherwise evidence intent to comply with, further, or support any boycott fostered or imposed by any foreign country, or request to impose any boycott by any foreign country, against a country which is friendly to the United States and which is not itself the object of any form of boycott pursuant to United States law or regulation.

SEC. 502. ADDITIONALITY AND AVOIDANCE OF MARKET DISTORTION.

(a) **IN GENERAL.**—Before the Corporation provides support for a project under title II, the Corporation shall ensure that private sector entities are afforded an opportunity to support the project.

(b) **SAFEGUARDS, POLICIES, AND GUIDELINES.**—The Corporation shall develop appropriate safeguards, policies, and guidelines to ensure that support provided by the Corporation under title II—

(1) supplements and encourages, but does not compete with, private sector support;

(2) operates according to internationally recognized best practices and standards with respect to ensuring the avoidance of market distorting government subsidies and the crowding out of private sector lending; and

(3) does not have a significant adverse impact on United States employment.

SEC. 503. PROHIBITION ON SUPPORT IN SANCTIONED COUNTRIES AND WITH SANCTIONED PERSONS.

(a) **IN GENERAL.**—The Corporation is prohibited from providing support under title II in a country the government of which the Secretary of State has determined has repeatedly provided support for acts of international terrorism for purposes of—

(1) section 6(j)(1)(A) of the Export Administration Act of 1979 (50 U.S.C. 4605(j)(1)(A)) (as continued in effect pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.));

(2) section 620A(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2371(a));

(3) section 40(d) of the Arms Export Control Act (22 U.S.C. 2780(d)); or

(4) any other provision of law.

(b) **PROHIBITION ON SUPPORT OF SANCTIONED PERSONS.**—The Corporation is prohibited from supporting a project under title II that directly benefits any entity subject to sanctions imposed by the United States.

(c) **PROHIBITION ON SUPPORT OF ACTIVITIES SUBJECT TO SANCTIONS.**—The Corporation shall require any entity or party receiving support under title II to certify it, any entity owned or controlled by the entity or party, or any entity or party which owns or otherwise manages the entity or party receiving support, does not conduct any activities subject to sanctions imposed by the United States.

SEC. 504. PENALTIES FOR MISREPRESENTATION, FRAUD, AND BRIBERY.

Subsections (g), (1), and (n) of section 237 of the Foreign Assistance Act of 1961 (22 U.S.C. 2197) shall apply with respect to the Corporation to the same extent and in the same manner as such subsections applied with respect to the Overseas Private Investment Corporation on the day before the date of the enactment of this Act.

TITLE VI—TRANSITIONAL PROVISIONS

SEC. 601. DEFINITIONS.

In this title:

(1) **AGENCY.**—The term "agency" includes any entity, organizational unit, program, or function.

(2) **TRANSITION PERIOD.**—The term "transition period" means the period—

(A) beginning on the date of the enactment of this Act; and

(B) ending on the effective date of the reorganization plan required by section 602(e).

SEC. 602. REORGANIZATION PLAN.

(a) **SUBMISSION OF PLAN.**—

(1) **IN GENERAL.**—Not later than 120 days after the date of the enactment of this Act, the President shall transmit to the appropriate congressional committees a reorganization plan regarding the following:

(A) The transfer of agencies, personnel, assets, and obligations to the Corporation pursuant to this title.

(B) Any consolidation, reorganization, or streamlining of agencies transferred to the Corporation pursuant to this title.

(C) Any efficiencies or cost savings achieved as a result of the transfer of agencies, personnel, assets, and obligations to the Corporation pursuant to this title, including reductions in unnecessary or duplicative operations, assets, and personnel.

(2) **CONSULTATION.**—Not later than 15 days before the date on which the plan is transmitted pursuant to this subsection, the President shall consult with the appropriate congressional committees on such plan.

(b) **PLAN ELEMENTS.**—The plan transmitted under subsection (a) shall contain, consistent with this Act, such elements as the President deems appropriate, including the following:

(1) Identification of any functions of agencies transferred to the Corporation pursuant to this title that will not be transferred to the Corporation under the plan.

(2) Specification of the steps to be taken to organize the Corporation, including the delegation or assignment of functions transferred to the Corporation.

(3) Specification of the funds available to each agency that will be transferred to the Corporation as a result of transfers under the plan.

(4) Specification of the proposed allocations within the Corporation of unexpended funds transferred in connection with transfers under the plan.

(5) Specification of any proposed disposition of property, facilities, contracts, records, and other assets and obligations of agencies transferred under the plan.

(c) REPORT ON COORDINATION.—

(1) IN GENERAL.—The transfer of functions authorized by this section may occur only after the President and Chief Executive Officer of the Overseas Private Investment Corporation and the Administrator of the United States Agency for International Development jointly submit to the Committee on Foreign Affairs and Committee on Appropriations of the House of Representatives and Committee on Foreign Relations and Committee on Appropriations of the Senate a report in writing that contains the information required by paragraph (2).

(2) INFORMATION REQUIRED.—The information required by this paragraph includes a description in detail of the procedures to be followed after the transfer of functions authorized by this section have occurred to coordinate between the Corporation and the United States Agency for International Development in carrying out the functions so transferred.

(d) MODIFICATION OF PLAN.—The President shall consult with the appropriate congressional committees before making any material modification or revision to the plan before the plan becomes effective in accordance with subsection (e).

(e) EFFECTIVE DATE.—

(1) IN GENERAL.—The reorganization plan described in this section, including any modifications or revisions of the plan under subsection (c), shall become effective for an agency on the date specified in the plan (or the plan as modified pursuant to subsection (d)), except that such date may not be earlier than 90 days after the date the President has transmitted the reorganization plan to the appropriate congressional committees pursuant to subsection (a).

(2) STATUTORY CONSTRUCTION.—Nothing in this subsection may be construed to require the transfer of functions, personnel, records, balances of appropriations, or other assets of an agency on a single date.

SEC. 603. TRANSFER OF FUNCTIONS.

(a) IN GENERAL.—Effective at the end of the transition period, there shall be transferred to the Corporation the functions, personnel, assets, and liabilities of—

(1) the Overseas Private Investment Corporation, as in existence on the day before the date of the enactment of this Act; and

(2) the following elements of the United States Agency for International Development:

(A) The Development Credit Authority.

(B) The existing Legacy Credit portfolio under the Urban Environment Program and any other direct loan programs and non-Development Credit Authority guaranty programs authorized by the Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.) or other predecessor Acts, as in existence on the date of the enactment of this Act, other than any sovereign loan guaranties.

(b) ADDITIONAL TRANSFER AUTHORITY.—Effective at the end of the transition period, there is authorized to be transferred to the Corporation the functions, personnel, assets, and liabilities of the following elements of the United States Agency for International Development:

(1) The Office of Private Capital and Microenterprise.

(2) The enterprise funds.

(c) SOVEREIGN LOAN GUARANTY TRANSFER.—

(1) IN GENERAL.—Effective at the end of the transition period, there is authorized to be transferred to the Corporation or any other appropriate department or agency of the United States Government the loan accounts and the legal rights and responsibilities for the sovereign loan guaranty portfolio held by the United States Agency for International Development as in existence on the day before the date of the enactment of this Act.

(2) INCLUSION IN REORGANIZATION PLAN.—The President shall include in the reorganization plan submitted under section 602 a description of the transfer authorized under paragraph (1).

(d) BILATERAL AGREEMENTS.—Any bilateral agreement of the United States in effect on the date of the enactment of this Act that serves as the basis for programs of the Overseas Private Investment Corporation and the Development Credit Authority shall be considered as satisfying the requirements of section 301(a).

(e) TRANSITION.—During the transition period, the agencies specified in subsection (a) shall—

(1) continue to administer the assets and obligations of those agencies; and

(2) carry out such programs and activities authorized under this Act as may be determined by the President.

SEC. 604. TERMINATION OF OVERSEAS PRIVATE INVESTMENT CORPORATION AND OTHER SUPERCEDED AUTHORITIES.

Effective at the end of the transition period—

(1) the Overseas Private Investment Corporation is terminated; and

(2) title IV of chapter 2 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2191 et seq.) (other than subsections (g), (l), and (n) of section 237 of that Act) is repealed.

SEC. 605. TRANSITIONAL AUTHORITIES.

(a) PROVISION OF ASSISTANCE BY OFFICIALS.—Until the transfer of an agency to the Corporation under section 603, any official having authority over or functions relating to the agency on the day before the date of the enactment of this Act shall provide to the Corporation such assistance, including the use of personnel and assets, as the Corporation may request in preparing for the transfer and integration of the agency into the Corporation.

(b) SERVICES AND PERSONNEL.—During the transition period, upon the request of the Corporation, the head of any executive agency may, on a reimbursable or non-reimbursable basis, provide services or detail personnel to assist with the transition.

(c) ACTING OFFICIALS.—

(1) IN GENERAL.—During the transition period, pending the advice and consent of the Senate to the appointment of an officer required by this Act to be appointed by and with such advice and consent, the President may designate any officer whose appointment was required to be made by and with such advice and consent and who was such an officer before the date of the enactment of this Act (and who continues in office) or immediately before such designation, to act in such office until the same is filled as provided in this Act. While so acting, such officers shall receive compensation at the higher of—

(A) the rates provided by this Act for the respective offices in which they act; or

(B) the rates provided for the offices held at the time of designation.

(2) RULE OF CONSTRUCTION.—Nothing in this Act shall be construed to require the advice and consent of the Senate to the appointment by the President to a position in the Corporation of any officer whose agency is transferred to the Corporation pursuant to

this title and whose duties following such transfer are germane to those performed before such transfer.

(d) TRANSFER OF PERSONNEL, ASSETS, OBLIGATIONS, AND FUNCTIONS.—Upon the transfer of an agency to the Corporation under section 603—

(1) the personnel, assets, and obligations held by or available in connection with the agency shall be transferred to the Corporation for appropriate allocation, subject to the approval of the Director of the Office of Management and Budget and in accordance with section 1531(a)(2) of title 31, United States Code; and

(2) the Corporation shall have all functions—

(A) relating to the agency that any other official could by law exercise in relation to the agency immediately before such transfer; and

(B) vested in the Corporation by this Act or other law.

SEC. 606. SAVINGS PROVISIONS.

(a) COMPLETED ADMINISTRATIVE ACTIONS.—

(1) IN GENERAL.—Completed administrative actions of an agency shall not be affected by the enactment of this Act or the transfer of such agency to the Corporation under section 603, but shall continue in effect according to their terms until amended, modified, superseded, terminated, set aside, or revoked in accordance with law by an officer of the United States or a court of competent jurisdiction, or by operation of law.

(2) COMPLETED ADMINISTRATIVE ACTION DEFINED.—In this subsection, the term “completed administrative action” includes orders, determinations, rules, regulations, personnel actions, permits, agreements, grants, contracts, certificates, policies, licenses, registrations, and privileges.

(b) PENDING PROCEEDINGS.—

(1) IN GENERAL.—Pending proceedings in an agency, including notices of proposed rulemaking, and applications for licenses, permits, certificates, grants, and financial assistance, shall continue notwithstanding the enactment of this Act or the transfer of the agency to the Corporation, unless discontinued or modified under the same terms and conditions and to the same extent that such discontinuance could have occurred if such enactment or transfer had not occurred.

(2) ORDERS.—Orders issued in proceedings described in paragraph (1), and appeals therefrom, and payments made pursuant to such orders, shall issue in the same manner and on the same terms as if this Act had not been enacted or the agency had not been transferred, and any such orders shall continue in effect until amended, modified, superseded, terminated, set aside, or revoked by an officer of the United States or a court of competent jurisdiction, or by operation of law.

(c) PENDING CIVIL ACTIONS.—Pending civil actions shall continue notwithstanding the enactment of this Act or the transfer of an agency to the Corporation, and in such civil actions, proceedings shall be had, appeals taken, and judgments rendered and enforced in the same manner and with the same effect as if such enactment or transfer had not occurred.

(d) REFERENCES.—References relating to an agency that is transferred to the Corporation under section 603 in statutes, Executive orders, rules, regulations, directives, or delegations of authority that precede such transfer or the date of the enactment of this Act shall be deemed to refer, as appropriate, to the Corporation, to its officers, employees, or agents, or to its corresponding organizational units or functions. Statutory reporting requirements that applied in relation to such an agency immediately before the effective date of this Act shall continue to apply

following such transfer if they refer to the agency by name.

(e) **EMPLOYMENT PROVISIONS.**—

(1) **REGULATIONS.**—The Corporation may, in regulations prescribed jointly with the Director of the Office of Personnel Management, adopt the rules, procedures, terms, and conditions, established by statute, rule, or regulation before the date of the enactment of this Act, relating to employment in any agency transferred to the Corporation under section 603.

(2) **EFFECT OF TRANSFER ON CONDITIONS OF EMPLOYMENT.**—Except as otherwise provided in this Act, or under authority granted by this Act, the transfer pursuant to this title of personnel shall not alter the terms and conditions of employment, including compensation, of any employee so transferred.

(f) **STATUTORY REPORTING REQUIREMENTS.**—Any statutory reporting requirement that applied to an agency transferred to the Corporation under this title immediately before the date of the enactment of this Act shall continue to apply following that transfer if the statutory requirement refers to the agency by name.

SEC. 607. OTHER TERMINATIONS.

Except as otherwise provided in this Act, whenever all the functions vested by law in any agency have been transferred pursuant to this title, each position and office the incumbent of which was authorized to receive compensation at the rates prescribed for an office or position at level II, III, IV, or V of the Executive Schedule under subchapter II of chapter 53 of title 5, United States Code, shall terminate.

SEC. 608. INCIDENTAL TRANSFERS.

The Director of the Office of Management and Budget, in consultation with the Corporation, is authorized and directed to make such additional incidental dispositions of personnel, assets, and liabilities held, used, arising from, available, or to be made available, in connection with the functions transferred by this title, as the Director may determine necessary to accomplish the purposes of this Act.

SEC. 609. REFERENCE.

With respect to any function transferred under this title (including under a reorganization plan under section 602) and exercised on or after the date of the enactment of this Act, reference in any other Federal law to any department, commission, or agency or any officer or office the functions of which are so transferred shall be deemed to refer to the Corporation or official or component of the Corporation to which that function is so transferred.

SEC. 610. CONFORMING AMENDMENTS.

(a) **EXEMPT PROGRAMS.**—Section 255(g) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 905(g)) is amended by striking “Overseas Private Investment Corporation, Noncredit Account (71–4184–0–3–151).” and inserting “United States International Development Finance Corporation.”.

(b) **EXECUTIVE SCHEDULE.**—Title 5, United States Code, is amended—

(1) in section 5314, by striking “President, Overseas Private Investment Corporation.”;

(2) in section 5315, by striking “Executive Vice President, Overseas Private Investment Corporation.”; and

(3) in section 5316, by striking “Vice Presidents, Overseas Private Investment Corporation (3).”.

(c) **OFFICE OF INTERNATIONAL TRADE OF THE SMALL BUSINESS ADMINISTRATION.**—Section 22 of the Small Business Act (15 U.S.C. 649) is amended—

(1) in subsection (b), in the matter preceding paragraph (1), by striking “the President of the Overseas Private Investment Cor-

poration, Director” and inserting “the Board of Directors of the United States International Development Finance Corporation, the Director”; and

(2) by striking “Overseas Private Investment Corporation” each place it appears and inserting “United States International Development Finance Corporation”.

(d) **UNITED STATES AND FOREIGN COMMERCIAL SERVICE.**—Section 2301 of the Export Enhancement Act of 1988 (15 U.S.C. 4721) is amended by striking “Overseas Private Investment Corporation” each place it appears and inserting “United States International Development Finance Corporation”.

(e) **TRADE PROMOTION COORDINATING COMMITTEE.**—Section 2312(d)(1)(K) of the Export Enhancement Act of 1988 (15 U.S.C. 4727(d)(1)(K)) is amended by striking “Overseas Private Investment Corporation” and inserting “United States International Development Finance Corporation”.

(f) **INTERAGENCY TRADE DATA ADVISORY COMMITTEE.**—Section 5402(b) of the Omnibus Trade and Competitiveness Act of 1988 (15 U.S.C. 4902(b)) is amended by striking “the President of the Overseas Private Investment Corporation” and inserting “the Chief Executive Officer of the United States International Development Finance Corporation”.

(g) **MISUSE OF NAMES OF FEDERAL AGENCIES.**—Section 709 of title 18, United States Code, is amended by striking “‘Overseas Private Investment’, ‘Overseas Private Investment Corporation’, or ‘OPIC.’” and inserting “‘United States International Development Finance Corporation’ or ‘DFC’”.

(h) **ENGAGEMENT ON CURRENCY EXCHANGE RATE AND ECONOMIC POLICIES.**—Section 701(c)(1)(A) of the Trade Facilitation and Trade Enforcement Act of 2015 (19 U.S.C. 4421(c)(1)(A)) is amended by striking “Overseas Private Investment Corporation” and inserting “United States International Development Finance Corporation”.

(i) **INTERNSHIPS WITH INSTITUTE FOR INTERNATIONAL PUBLIC POLICY.**—Section 625 of the Higher Education Act of 1965 (20 U.S.C. 1131c(a)) is amended by striking “Overseas Private Investment Corporation” and inserting “United States International Development Finance Corporation”.

(j) **FOREIGN ASSISTANCE ACT OF 1961.**—The Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.) is amended—

(1) in section 449B(b)(2) (22 U.S.C. 2296b(b)(2)), by striking “Overseas Private Investment Corporation” and inserting “United States International Development Finance Corporation”; and

(2) in section 481(e)(4)(A) (22 U.S.C. 2291(e)(4)(A)), in the matter preceding clause (i), by striking “(including programs under title IV of chapter 2, relating to the Overseas Private Investment Corporation)” and inserting “(and any support under title II of the Better Utilization of Investments Leading to Development Act of 2018, relating to the United States International Development Finance Corporation)”.

(k) **ELECTRIFY AFRICA ACT OF 2015.**—Sections 5 and 7 of the Electrify Africa Act of 2015 (Public Law 114–121; 22 U.S.C. 2293 note) are amended by striking “Overseas Private Investment Corporation” each place it appears and inserting “United States International Development Finance Corporation”.

(l) **FOREIGN AID TRANSPARENCY AND ACCOUNTABILITY ACT OF 2016.**—Section 2(3) of the Foreign Aid Transparency and Accountability Act of 2016 (Public Law 114–191; 22 U.S.C. 2394c note) is amended—

(1) in subparagraph (A), by striking “except for” and all that follows through “chapter 3” and insert “except for chapter 3”; and

(2) in subparagraph (C), by striking “and” at the end;

(3) in subparagraph (D), by striking the period at the end and inserting “; and”; and

(4) by adding at the end the following:

“(E) the Better Utilization of Investments Leading to Development Act of 2018.”.

(m) **SUPPORT FOR EAST EUROPEAN DEMOCRACY (SEED) PROGRAM.**—The Support for East European Democracy (SEED) Act of 1989 (22 U.S.C. 5401 et seq.) is amended—

(1) in section 2(c) (22 U.S.C. 5401(c)), by striking paragraph (12) and inserting the following:

“(12) UNITED STATES INTERNATIONAL DEVELOPMENT FINANCE CORPORATION.—Programs of the United States International Development Finance Corporation.”; and

(2) in section 201(e) (22 U.S.C. 5421(e)), by striking “Agency for International Development” and inserting “United States International Development Finance Corporation”.

(n) **CUBAN LIBERTY AND DEMOCRATIC SOLIDARITY (LIBERTAD) ACT OF 1996.**—Section 202(b)(2)(B)(iv) of the Cuban Liberty and Democratic Solidarity (LIBERTAD) Act of 1996 (22 U.S.C. 6062(b)(2)(B)(iv)) is amended by striking “Overseas Private Investment Corporation” and inserting “United States International Development Finance Corporation”.

(o) **INTERNATIONAL RELIGIOUS FREEDOM ACT OF 1998.**—Section 405(a)(10) of the International Religious Freedom Act of 1998 (22 U.S.C. 6445(a)(10)) is amended by striking “Overseas Private Investment Corporation” and inserting “United States International Development Finance Corporation”.

(p) **TRAFFICKING VICTIMS PROTECTION ACT OF 2000.**—Section 103(8)(A) of the Trafficking Victims Protection Act of 2000 (22 U.S.C. 7102(8)(A)) is amended in clause (viii) to read as follows:

“(viii) any support under title II of the Better Utilization of Investments Leading to Development Act of 2018 relating to the United States International Development Finance Corporation; and”.

(q) **TECHNOLOGY DEPLOYMENT IN DEVELOPING COUNTRIES.**—Section 732(b) of the Global Environmental Protection Assistance Act of 1989 (22 U.S.C. 7902(b)) is amended by striking “Overseas Private Investment Corporation” and inserting “United States International Development Finance Corporation”.

(r) **EXPANDED NONMILITARY ASSISTANCE FOR UKRAINE.**—Section 7(c)(3) of the Ukraine Freedom Support Act of 2014 (22 U.S.C. 8926(c)(3)) is amended—

(1) in the paragraph heading, by striking “OVERSEAS PRIVATE INVESTMENT CORPORATION” and inserting “UNITED STATES INTERNATIONAL DEVELOPMENT FINANCE CORPORATION”;

(2) in the matter preceding subparagraph (A), by striking “Overseas Private Investment Corporation” and inserting “United States International Development Finance Corporation”; and

(3) in subparagraph (B), by striking “by eligible investors (as defined in section 238 of the Foreign Assistance Act of 1961 (22 U.S.C. 2198))”.

(s) **GLOBAL FOOD SECURITY ACT OF 2016.**—Section 4(7) of the Global Food Security Act of 2016 (22 U.S.C. 9303(7)) is amended by striking “Overseas Private Investment Corporation” and inserting “United States International Development Finance Corporation”.

(t) **SENSE OF CONGRESS ON EUROPEAN AND EURASIAN ENERGY SECURITY.**—Section 257(c)(2)(B) of the Countering Russian Influence in Europe and Eurasia Act of 2017 (22 U.S.C. 9546(c)(2)(B)) is amended by striking “Overseas Private Investment Corporation” and inserting “United States International Development Finance Corporation”.

(u) WHOLLY OWNED GOVERNMENT CORPORATION.—Section 9101(3) of title 31, United States Code, is amended by striking “Overseas Private Investment Corporation” and inserting “United States International Development Finance Corporation”.

(v) ENERGY INDEPENDENCE AND SECURITY ACT OF 2007.—Title IX of the Energy Independence and Security Act of 2007 (42 U.S.C. 17321 et seq.) is amended—

(1) in section 914 (42 U.S.C. 17334)—

(A) in the section heading, by striking “OVERSEAS PRIVATE INVESTMENT CORPORATION” and inserting “UNITED STATES INTERNATIONAL DEVELOPMENT FINANCE CORPORATION”;

(B) in subsection (a), in the matter preceding paragraph (1), by striking “Overseas Private Investment Corporation” and inserting “United States International Development Finance Corporation”; and

(C) in subsection (b), in the matter preceding paragraph (1), by striking “Overseas Private Investment Corporation shall include in its annual report required under section 240A of the Foreign Assistance Act of 1961 (22 U.S.C. 2200a)” and inserting “United States International Development Finance Corporation shall include in its annual report required under section 403 of the Better Utilization of Investments Leading to Development Act of 2018”; and

(2) in section 916(a)(2)(I) (42 U.S.C. 17336(a)(2)(I)), by striking “Overseas Private Investment Corporation” and inserting “United States International Development Finance Corporation”;

(w) EFFECTIVE DATE.—The amendments made by this section shall take effect at the end of the transition period.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from California (Mr. ROYCE) and the gentleman from California (Mr. SHERMAN) each will control 20 minutes.

The Chair recognizes the gentleman from California (Mr. ROYCE).

GENERAL LEAVE

Mr. ROYCE of California. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks and to include any extraneous material in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ROYCE of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this is the BUILD Act. Across the globe, lack of access to capital is constraining economic growth, especially in the world's least developed countries.

According to the International Finance Corporation, micro, small, and medium-sized enterprises have an unmet financing need of more than \$5 trillion every year in emerging markets, depriving them of the capital that they need to grow. Foreign investment is critical to empowering entrepreneurs, critical to creating jobs and to reducing poverty.

Our country has an undeniable interest in supporting the development of vibrant and stable economies around the world. Healthy private sectors promote good governance and support thriving civil societies. It helps reduce civil strife. The resulting stability is

good for our national security and also benefits U.S. exports and jobs.

Increasingly, other countries are working to advance their economic and political interests by shaping overseas markets. China's One Belt, One Road initiative is estimated at \$1 trillion. This dwarfs the size of the Marshall Plan that rebuilt war-torn Europe in the 1940s and 1950s.

Across Africa, Asia, and beyond, Beijing is making massive investments in new construction and infrastructure projects, from the headquarters of the African Union to a port in Djibouti, where both the U.S. and China now have military bases. Beijing now owns 80 percent of this strategically located African nation's foreign debt.

As the president and CEO of OPIC, the Overseas Private Investment Corporation, testified to the Foreign Affairs Committee, his words: “A condition of many of these loans is that Chinese firms, and labor, get the business. . . . This state-directed approach is not consistent with our values, which incorporate the high standards of international financial institutions related to governance, transparency, debt sustainability, environmental, and social safeguards.”

Chinese development practices have often left countries worse off—and I have seen this with my own eyes—putting some countries into debt distress. Last December, Sri Lanka gave control of the strategic Sri Lankan port to Beijing for 99 years after it could not repay the Chinese-backed loans to fund it. That granted Beijing a foothold in the Indian Ocean and its critical shipping lanes.

And due to Beijing's “no strings attached” financing, some of Africa's most brutal regimes have been thrown an economic lifeline that undermines democratic governance. Unlike the United States, Beijing does not have an anti-corruption standard. It is willing to fund just about any government, from Venezuela to Sudan.

The U.S. cannot and should not match China's investments dollar-for-dollar, but we can and should do more to support international economic development with partners who have embraced the private sector-driven development model.

However, America's development finance tool kit, which is spread across multiple agencies, is limited, it is duplicative, it is uncoordinated. So the BUILD Act will address these shortcomings. It will modernize America's antiquated development finance capabilities to address the challenges of this century. Specifically, it will merge OPIC and USAID's development credit authority into a standalone U.S. international development finance corporation with new authorities.

□ 1715

Among these new authorities will be the ability to cofinance projects with our allies like the U.K.

What this is going to do, just on the U.S. side, is this is going to double their book of business.

Through the provision of loans and guarantees and limited equity investments and feasibility studies, political risk insurance, and other investments of support, the new Development Finance Corporation will mobilize private capital to provide countries a competitive alternative to the state-directed approach of Beijing and Moscow.

I am pleased that this bill doesn't just merge existing functions together but also includes critical reforms to protect taxpayers, to improve government efficiency, and to make America's development finance toolkit very effective. Notably, it adopts many of the same principles as the Millennium Challenge Corporation, including the constraints analysis, which directs investment to where it will have the most impact.

This bill will create a dedicated inspector general of the new corporation. It will require that the corporation prioritize support in the poorest countries and those making continual progress towards economic policies that support free enterprise, and it will create lasting institutional linkages between the Development Finance Corporation and other development agencies.

This bill has got strong support from the White House, which made it a priority in its National Security Strategy and 2019 budget.

In short, the BUILD Act represents a major opportunity for this Congress and the executive branch to transform and modernize our Nation's tools to support global development and increase opportunities for American entrepreneurs in these emerging markets.

Mr. Speaker, I reserve the balance of my time.

HOUSE OF REPRESENTATIVES, COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE,

Washington, DC, July 16, 2018.

Hon. ED ROYCE,
Chairman, Committee on Foreign Affairs, Washington, DC.

DEAR CHAIRMAN ROYCE: I write concerning H.R. 5105, the Better Utilization of Investments Leading to Development Act of 2018. This legislation includes matters that I believe fall within the Rule X jurisdiction of the Committee on Transportation and Infrastructure.

In order to expedite floor consideration of H.R. 5105, the Committee on Transportation and Infrastructure will forgo action on this bill. However, this is conditional on our mutual understanding that forgoing consideration of the bill does not prejudice the Committee with respect to the appointment of conferees or to any future jurisdictional claim over the subject matters contained in the bill or similar legislation that fall within the Committee's Rule X jurisdiction. Further, I appreciate your agreement to incorporate changes suggested by the Committee on Transportation and Infrastructure into the bill prior to floor consideration. Finally, should a conference on the bill be necessary, I ask that you support my request to have the Committee represented on the conference committee.

Please place a copy of this letter and your response acknowledging our jurisdictional interest in the Congressional Record during House Floor consideration of the bill. I look

forward to working with the Committee on Foreign Affairs as the bill moves through the legislative process,

Sincerely,

BILL SHUSTER,
Chairman.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON FOREIGN AFFAIRS,
Washington, DC, July 16, 2018.

Hon. BILL SHUSTER,
Chairman, Committee on Transportation and Infrastructure, Washington, DC.

DEAR CHAIRMAN SHUSTER: Thank you for consulting with the Foreign Affairs Committee and agreeing to forgo a sequential referral request on H.R. 5105, the Better Utilization of Investments Leading to Development (BUILD) Act of 2018, so that the bill may proceed expeditiously to the House floor. Edits requested by your committee have been incorporated in the bill text scheduled for consideration by the House.

I agree that your forgoing further action on this measure does not in any way diminish or alter the jurisdiction of your committee, or prejudice its jurisdictional prerogatives on this bill or similar legislation in the future. I would support your effort to seek appointment of an appropriate number of conferees from your committee to any House-Senate conference on this legislation.

I will seek to place our letters on H.R. 5105 into the Congressional Record during floor consideration. I appreciate your cooperation regarding this legislation and look forward to continuing to work together as this measure moves through the legislative process.

Sincerely,

EDWARD R. ROYCE,
Chairman.

Mr. SHERMAN. Mr. Speaker, I yield myself as much time as I may consume.

Mr. Speaker, I rise in support of H.R. 5105.

H.R. 5105, the BUILD Act, which stands for Better Utilization of Investments Leading to Development Act, modernizes our international development finance system. It does so by consolidating the existing Overseas Private Investment Corporation, which has the most unfortunate acronym in the Federal Government, since it is referred to as OPIC and is often confused with OPEC. It consolidates that organization into the new Development Finance Corporation.

I am pleased to be a cosponsor of this important measure.

I want to start by commending the lead sponsors of this bipartisan bill, the gentleman from Florida (Mr. YOH), whom I am pleased to work with on the Asia and the Pacific Subcommittee, where he serves as chairman and I serve as ranking member; and the second lead sponsor of this legislation, the gentleman from Washington (Mr. SMITH), the ranking member of the Armed Services Committee.

It has been more than a decade since Congress last updated OPIC's charter. The landscape in development finance has changed substantially, and we now need a new approach to the way our government uses financial instruments to spur economic development and tackle poverty in the developing world.

Mr. Speaker, I particularly want to thank the leadership of the committee

and the sponsors of the legislation for accepting four of my amendments.

The first of these requires a certification from the new DFC, or Development Finance Corporation, that the corporations that benefit from their investment and their affiliates do not conduct any activity which is the subject of U.S. sanctions. This is an important safeguard to ensure that entities that engage in contact that violates U.S. Government sanctions do not benefit from U.S. Government financing.

Simply prohibiting the support of sanctioned entities is not enough. We need an affirmative statement from prospective beneficiaries of the DFC that they and their affiliates are in compliance with American sanctions law.

Second, the new agency will need to consider whether the benefiting entity is participating in a foreign boycott that is at cross-purposes with American foreign policy. The U.S. should not be in the business of providing assistance to entities that participate in discriminatory boycotts against foreign countries.

Since the 1970s, we have had on the books laws designed to prevent our corporations from participating in the Arab League boycott of Israel. It is common sense that the DFC, when it is selecting projects, should take this into consideration. So my amendment will do just that.

I should point out that there is another amendment that I would have offered, but, instead, we secured a letter from OPIC that will be binding policy on the new DFC stating that the DFC will not finance regional projects in the Caucasus that are designed to exclude Armenia. If it doesn't make geographic sense that a regional railroad or road or other activity excludes Armenia, then that is OPIC policy that will be carried forward with the new agency that this will not be financed by the DFC.

Mr. Speaker, I include the following letters from OPIC in the RECORD.

OVERSEAS PRIVATE
INVESTMENT CORPORATION,
Washington, DC, May 8, 2018.

Hon. BRAD SHERMAN,
House of Representatives,
Washington, DC.

DEAR CONGRESSMAN SHERMAN: Thank you for your continued support of U.S. development finance, including your support for H.R. 5105, the BUILD Act. Knowing of your long-standing support for Armenia, I wanted to clarify an issue raised by your office in writing.

The Overseas Private Investment Corporation will not support regional projects in the Caucasus that deliberately, by design or effect, exclude Armenia from participation or benefit, unless such exclusion is necessitated by geographic or economic impracticality. As you know, when the BUILD Act legislation is enacted into law, the functions, personnel, assets, liabilities and policies of OPIC will transfer to the U.S. Development Finance Corporation. Accordingly, this will become the policy of the DFC.

Again, thank you for your continued support.

Regards,

CAMERON S. ALFORD,
Deputy General Counsel, Projects.

OVERSEAS PRIVATE
INVESTMENT CORPORATION,
Washington, DC, May 8, 2018.

Hon. BRAD SHERMAN,
House of Representatives,
Washington, DC.

DEAR CONGRESSMAN SHERMAN: Thank you for your continued support of U.S. development finance, including your support for H.R. 5105, the BUILD Act. I wanted to clarify an issue raised by your office in writing.

The Overseas Private Investment Corporation's Environmental and Social Policy Statement (ESPS) includes OPIC's greenhouse gas policy developed pursuant to Section 7079(b) of division F of the Consolidated Appropriations Act, 2010 (Public Law 111-117; 123 Stat. 3396). As a result of the inclusion of the word "policies" in Section 606(a)(2) of the BUILD Act Amendment in the Nature of a Substitute, OPIC's ESPS will be transferred to the U.S. Development Finance Corporation. Accordingly, this will become the policy of the DFC.

Again, thank you for your continued support.

Regards,

CAMERON S. ALFORD,
Deputy General Counsel, Projects.

Mr. SHERMAN. Mr. Speaker, the third amendment that I thank the sponsors for agreeing to requires an annual report from the new DFC on its compliance with its own human rights, labor, environmental, and social policies.

OPIC maintains robust environmental and social policies. This bill carries those policies forward so the new DFC will follow them and will now make an annual report so that Congress can see whether these policies are actually being implemented.

The fourth such amendment states that, as to the four public nongovernmental members of the DFC board, that we take into account their experience in international environmental, developmental, and labor organizations. There are a number of other factors that go into selecting the public members of the board, but certainly experience in the environment and labor ought to be taken into consideration.

The BUILD Act updates U.S. development finance and, I think, will complement our foreign assistance efforts. With this bill, we can keep the U.S. as a global leader in promoting economic prosperity around the world while, at the same time, encouraging American jobs.

I support this measure and hope my colleagues will join me in doing so. Once again, this bill had a unanimous, bipartisan voice vote in our committee.

Mr. Speaker, I reserve the balance of my time.

Mr. ROYCE of California. Mr. Speaker, I yield 4 minutes to the gentleman from Florida (Mr. YOH). He is the chairman of the Foreign Affairs Subcommittee on Asia and the Pacific, and he is the author of this legislation.

Mr. YOH. Mr. Speaker, I am excited to speak on behalf of H.R. 5105, the

BUILD Act, and urge its passage in this Chamber.

Mr. Speaker, I would like to thank Chairman ROYCE, Ranking Member ENGEL, Ranking Member SHERMAN, and my lead cosponsor, ADAM SMITH of Washington, for the hard work they and their teams have done to bring this bill to the floor. These gentlemen worked tirelessly along with their teams. I would also like to give a shout-out to our legislative director, James Walsh, who did yeoman's work for this bill.

Today, America is confronting unprecedented instability and growing humanitarian crises around the world, all of which have a direct impact on our national security and economic interests here at home.

Delivering effective U.S. foreign assistance is crucial, especially in the current fiscal climate in which it is imperative for the U.S. Government to use every dollar more efficiently and effectively. The BUILD Act will ensure the United States delivers foreign assistance both effectively and efficiently by catalyzing the private sector to invest in developing countries.

Of our top 15 trading partners, 12 of them were once recipients of foreign aid. Forty-three of our top 50 consumer nations of American agriculture products were once U.S. foreign aid recipients. Additionally, 95 percent of the world's consumers live outside of the United States, and the poorest two-thirds of the world now represent about \$5 trillion in purchasing power. Their markets are growing faster than many of our traditional partners and are central to the future of America's economic prosperity, job growth, and security.

It is imperative to the United States economy that we seize upon these opportunities and make the investment now so that we may reap the benefits down the road. One of the ways to do this is to make our development finance more efficient and nimble.

U.S. businesses have the capital to invest and lead the world in the understanding of capital markets and sophisticated financial transactions, generally delivering investments in infrastructure and other industries quicker and less expensively.

Despite our comparative advantage, other countries, especially China, are using development finance institutions more effectively to expand their influence into the developing world, even here in the Western Hemisphere in the country of Haiti.

Our tools for development finance are dispersed across too many Federal agencies and need to be streamlined. The primary U.S. development agency, OPIC, has not been significantly updated since its creation in 1971. The BUILD Act will modernize all foreign finance development and bring it into the 21st century.

As you can imagine, the world of financial development has vastly changed since 1970, as all things do, to

stay competitive. A modernized Development Finance Corporation is imperative to capitalizing upon those changes. It will help transition countries from aid to trade.

We want to help countries become robust trading partners with the United States. By doing so, we will be helping create stable, self-sufficient societies around the world and open new markets for U.S. goods and services. If we are trading goods, economies are growing, they are growing stronger, and relationships are forged, increasing national security.

There is truth to the saying, "a rising tide lifts all boats." The BUILD Act will help make this a reality by transitioning recipient countries again from aid to trade.

In addition to improving efficiency, the BUILD Act also creates a more significant amount of oversight and increases the United States' development effectiveness.

The BUILD Act empowers the new Development Finance Corporation, as Secretary Pompeo testified to the Senate, "to have the flexibility to identify a development need, bring to bear the right resources over the right period and manage it in a way that effectively delivers the outcome and measures it all along the way."

Mr. Speaker, I urge my colleague to pass the BUILD Act.

Mr. SHERMAN. Mr. Speaker, I yield 3 minutes to the gentleman from Washington (Mr. SMITH), the ranking member of the Armed Services Committee and the lead Democratic sponsor of this bill.

Mr. SMITH of Washington. Mr. Speaker, first of all, I really want to thank Congressman YOHO. We have worked together on this bill. We have also worked together as co-chairs of the Caucus for Effective Foreign Assistance. This bill really shows the bipartisan support on the committee.

I certainly want to thank the chairman and the ranking member for their work, as well, towards a very important goal, and that is to make more effective use of U.S. foreign aid and foreign development.

It is a crucial tool right now in the world. We need as many friends and as many partners as we can find in the world. Development through USAID and other agencies is a crucial way that we build the relationships and, as has been mentioned by all three of the previous speakers, as importantly, build the capacity of our partners to have a strong economy and to grow.

What this bill does is it makes our foreign investment policy better, more cohesive, and more robust. It enables that agency to invest in the projects that are necessary to help it be successful by expanding what it can do, by expanding its ability to work with other partners, to work with the private sector, and, crucially, to take an equity stake in some of their investments, something that current law prohibits. This will greatly expand their

ability to find projects across the developing world to invest in and help grow these countries and move them forward.

The overall goal of foreign aid is to make sure that there, hopefully, at some point, are no countries in the world that can't provide for their people, to go after poverty, to reduce it wherever we can.

There are a lot of different projects that are important to foreign aid. Certainly, global health, education, and direct assistance all play a crucial role. But I would submit that nothing is more important than enabling these countries to develop their own economy by giving them the capital they need to invest in projects and grow businesses so that they become self-sustaining partners.

This bill does a crucially important job in making sure that the U.S. contribution to that effort is as effective as it possibly can be. It lives up to the name of our caucus, effective foreign assistance. This is critically important.

A lot of times people think of foreign aid as being, well, that is just sort of a leftwing issue. Well, I want you to know there is true bipartisan support in this Congress by Republicans and Democrats to improve the quality of our foreign aid.

□ 1730

I thank Congressman YOHO for his leadership on that. He has done a great job in making sure that this is a bipartisan issue because it is crucial that we reduce poverty and improve security across the globe, and it is also crucial that the U.S., as the largest, strongest economy in the world, plays a strong role in that effort.

This bill will put us in a better position to do precisely that. I will also say, I think this is but the first of many efforts that we can have on improving the quality of foreign aid, of making it more effective and more robust. It is worth noting that this bill also expands the amount of money that is available to our foreign lending. It gives them more money to deal with.

I strongly support this bill, this bipartisan effort, and I appreciate Congressman YOHO's leadership. I look forward to continuing to work with him on this and many other issues.

GENERAL LEAVE

Mr. ROYCE of California. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days to revise and extend their remarks and include extraneous material on H.R. 4989.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ROYCE of California. Mr. Speaker, I continue to reserve the balance of my time.

Mr. SHERMAN. Mr. Speaker, in closing, I want to commend the sponsors of this legislation and the leadership of our committee. I urge an "aye" vote,

and I point out that this bill received a unanimous bipartisan voice vote in our committee, and I yield back the balance of my time.

Mr. ROYCE of California. Mr. Speaker, I ask for an “aye” vote on the bill, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. ROYCE) that the House suspend the rules and pass the bill, H.R. 5105, as amended.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

WOMEN'S ENTREPRENEURSHIP AND ECONOMIC EMPOWERMENT ACT OF 2018

Mr. ROYCE of California. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5480) to improve programs and activities relating to women's entrepreneurship and economic empowerment that are carried out by the United States Agency for International Development, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 5480

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Women's Entrepreneurship and Economic Empowerment Act of 2018”.

SEC. 2. FINDINGS.

Congress finds the following:

(1) Because women make up the majority of the world's poor and gender inequalities prevail in incomes, wages, access to finance, ownership of assets, and control over the allocation of resources, women's entrepreneurship and economic empowerment is important to achieve inclusive economic growth at all levels of society. Research shows that when women exert greater influence over household finances, economic outcomes for families improve, and childhood survival rates, food security, and educational attainment increase. Women also tend to place a greater emphasis on household savings which improves families' financial resiliency.

(2) A 2016 report by the McKinsey Global Institute estimated that achieving global gender parity in economic activity could add as much as \$28 trillion to annual global gross domestic product (GDP) by 2025.

(3) Lack of access to financial services that address gender-specific constraints impedes women's economic inclusion. More than one billion women around the world are currently left out of the formal financial system, which in turn causes many women to rely on informal means of saving and borrowing that are riskier and less reliable. Among other consequences, this hampers the success of women entrepreneurs, including those seeking to run or grow small and medium-sized enterprises (SMEs). The International Finance Corporation has estimated that 70 percent of women-owned SMEs in the formal sector are unserved or underserved in terms of access to credit, amounting to a \$285 billion credit gap.

(4) Women's economic empowerment is inextricably linked to a myriad of other women's human rights that are essential to their ability to thrive as economic actors across the lifecycle. This includes, but is not limited to, living lives free of violence and exploitation, achieving the highest possible standard of health and well-being, enjoying full legal and human rights such as access to registration, identification, and citizenship documents, benefitting from formal and informal education, and equal protection of and access to land and property rights, access to fundamental labor rights, policies to address disproportionate care burdens, and business and management skills and leadership opportunities.

(5) Discriminatory legal and regulatory systems and banking practices are hurdles to women's access to capital and assets, including land, machinery, production facilities, technology, and human resources. Often, these barriers are connected to a woman's marital status, which can determine whether she is able to inherit land or own property in her name. These constraints contribute to women frequently running smaller businesses, with fewer employees and lower asset values.

(6) Savings groups primarily comprised of women are recognized as a vital entry point, especially for poor and very poor women, to formal financial services and there is a high demand for such groups to protect and grow their savings with formal financial institutions. Evidence shows that, once linked to a bank, the average savings per member increases between 40 to 100 percent and the average profit per member doubles. Key to these outcomes is investing in financial literacy, business leadership training, and mentorship.

(7) United States support for microenterprise and microfinance development programs, which seek to reduce poverty in low-income countries by giving small loans to small-scale entrepreneurs without collateral, have been a useful mechanism to help families weather economic shocks, but many microcredit borrowers largely remain in poverty. The vast majority of microcredit borrowers are women who would like to move up the economic ladder but are held back by binding constraints that create a “missing middle”—large numbers of microenterprises, a handful of large firms or conglomerates, and very few SMEs in between, which are critical to driving economic growth in developing countries.

(8) According to the World Bank, SMEs create 4 out of 5 new positions in emerging markets but about half of formal SMEs don't have access to formal credit. The financing gap is even larger when micro and informal enterprises are taken into account. Overall, approximately 70 percent of all micro, small and medium-sized enterprises (MSMEs) in emerging markets lack access to credit.

SEC. 3. ACTIONS TO IMPROVE GENDER POLICIES OF THE UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT.

(a) DEVELOPMENT COOPERATION POLICY.—It shall be the development cooperation policy of the United States—

(1) to reduce gender disparities in access to, control over, and benefit from economic, social, political, and cultural resources, wealth, opportunities, and services;

(2) to strive to eliminate gender-based violence and mitigate its harmful effects on individuals and communities through efforts to develop standards and capacity to reduce gender-based violence in the workplace and other places where women conduct work;

(3) to support activities that secure private property rights and land tenure for women in developing countries, including legal frame-

works to give women equal rights to own, register, use, profit from, and inherit land and property, legal literacy to exercise these rights, and capacity of law enforcement and community leaders to enforce such rights; and

(4) to increase the capability of women and girls to realize their rights, determine their life outcomes, assume leadership roles, and influence decision-making in households, communities, and societies.

(b) ACTIONS.—In order to advance the policy described in subsection (a), the Administrator of the United States Agency for International Development shall ensure that—

(1) strategies, projects, and activities of the Agency are shaped by a gender analysis and, when applicable, use standard indicators to provide one measure of success of such strategies, projects, and activities; and

(2) gender equality and female empowerment is integrated throughout the Agency's Program Cycle and related processes for purposes of strategic planning, project design and implementation, and monitoring and evaluation.

(c) GENDER ANALYSIS DEFINED.—In this section, the term “gender analysis”—

(1) means a socio-economic analysis of available or gathered quantitative and qualitative information to identify, understand, and explain gaps between men and women which typically involves examining—

(A) differences in the status of women and men and their differential access to and control over assets, resources, opportunities, and services;

(B) the influence of gender roles, structural barriers, and norms on the division of time between paid employment, unpaid work (including subsistence production and care for family members), and volunteer activities;

(C) the influence of gender roles, structural barriers, and norms on leadership roles and decision making; constraints, opportunities, and entry points for narrowing gender gaps and empowering women; and

(D) potential differential impacts of development policies and programs on men and women, including unintended or negative consequences; and

(2) includes conclusions and recommendations to enable development policies and programs to narrow gender gaps and improve the lives of women and girls.

SEC. 4. DEVELOPMENT ASSISTANCE FOR MICRO, SMALL AND MEDIUM-SIZED ENTERPRISES.

(a) FINDINGS AND POLICY.—Section 251 of the Foreign Assistance Act of 1961 (22 U.S.C. 2211) is amended—

(1) in paragraph (1)—

(A) by striking “microenterprise” and inserting “micro, small and medium-sized enterprise”;

(B) by striking “and in the development” and inserting “, in the development”;

(C) by adding at the end before the period the following: “, and in the economic empowerment of the poor, especially women”;

(2) in paragraph (2)—

(A) by striking “microenterprise” and inserting “micro, small and medium-sized enterprise”;

(B) by adding at the end before the period the following: “, particularly those enterprises owned, managed, and controlled by women”;

(3) in paragraph (3), by striking “microenterprises” and inserting “micro, small and medium-sized enterprises”;

(4) in paragraph (4), by striking “microenterprise” and inserting “micro, small and medium-sized enterprise”;

(5) in paragraph (5)—

(A) by striking “should continue” and inserting “should continue and be expanded”; and