

118TH CONGRESS
2D SESSION

H. R. 8926

To modify and reauthorize the Better Utilization of Investments Leading
to Development Act of 2018.

IN THE HOUSE OF REPRESENTATIVES

JULY 2, 2024

Mr. MCCAUL (for himself and Mr. MEEKS) introduced the following bill; which
was referred to the Committee on Foreign Affairs

A BILL

To modify and reauthorize the Better Utilization of
Investments Leading to Development Act of 2018.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) **SHORT TITLE.**—This Act may be cited as the
5 “DFC Modernization and Reauthorization Act of 2024”.

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

Sec. 1. Short title; table of contents.
Sec. 2. Sense of Congress.

TITLE I—DEFINITIONS AND LESS DEVELOPED COUNTRY FOCUS

Sec. 101. Definitions.
Sec. 102. Less developed country focus.

TITLE II—MANAGEMENT OF CORPORATION

- Sec. 201. Board of Directors.
- Sec. 202. Chief Risk Officer.
- Sec. 203. Chief Development Officer.
- Sec. 204. Pay comparability.
- Sec. 205. Office of Foreign Policy.

TITLE III—AUTHORITIES RELATING TO PROVISION OF SUPPORT

- Sec. 301. Applicability of Federal Credit Reform Act of 1990.
- Sec. 302. Termination.

TITLE IV—OTHER MATTERS

- Sec. 401. Corporate powers.
- Sec. 402. Maximum contingent liability.
- Sec. 403. Authority To use portion of Corporation fees To update information technology systems.
- Sec. 404. Repeal of European Energy Security and Diversification Act of 2019.

1 SEC. 2. SENSE OF CONGRESS.

2 It is the sense of Congress that the United States
 3 International Development Finance Corporation should
 4 seek to responsibly increase its risk tolerance in invest-
 5 ments to ensure that the Corporation is properly pursuing
 6 its statutory objectives of advancing developmental and
 7 national security goals, including—

8 (1) by accepting a creditor status that is subor-
 9 dinate to that of other creditors;

10 (2) by guaranteeing loans up to 100 percent of
 11 principal as part of projects structured in compli-
 12 ance with the Better Utilization of Investments
 13 Leading to Development Act of 2018; and

14 (3) lending, investing, or offering insurance in
 15 high-risk countries, regions, or sectors as a means to

1 achieve its mission to mobilize capital in underserved
2 markets or segments.

3 **TITLE I—DEFINITIONS AND LESS**
4 **DEVELOPED COUNTRY FOCUS**

5 **SEC. 101. DEFINITIONS.**

6 Section 1402 of the Better Utilization of Investments
7 Leading to Development Act of 2018 (22 U.S.C. 9601)
8 is amended—

9 (1) by redesignating paragraphs (2), (3), and
10 (4) as paragraphs (3), (4), and (5), respectively;

11 (2) by inserting after paragraph (1) the fol-
12 lowing:

13 “(2) HIGH-INCOME COUNTRY.—The term ‘high-
14 income country’—

15 “(A) means a country with a high-income
16 economy, as defined by International Bank for
17 Reconstruction and Development and the Inter-
18 national Development Association (collectively
19 referred to as the ‘World Bank’; but

20 “(B) does not include a wealthy country.”;

21 (3) in paragraph (3) (as so redesignated) to
22 read as follows:

23 “(3) LESS DEVELOPED COUNTRY.—The term
24 less developed country means, with respect to a fis-
25 cal year for the Corporation, a country the per cap-

1 ita income of which at the start of such fiscal year
2 is equal to or less than the then-current World Bank
3 threshold for initiating the International Bank for
4 Reconstruction and Development graduation pro-
5 cess.”; and

6 (4) in paragraph (5) (as so redesignated)—

7 (A) in subparagraph (A), by striking “or”
8 at the end;

9 (B) in subparagraph (B), by striking the
10 period at the end and inserting “; or”; and

11 (C) by adding at the end the following:

12 “(C) any other similar institution that has
13 a purpose that is similar to the purpose of the
14 Corporation as described in section 1412(b).”;
15 and

16 (5) by adding at the end the following:

17 “(6) UPPER-MIDDLE-INCOME COUNTRY.—The
18 term “upper-middle-income country” means, with re-
19 spect to a fiscal year for the Corporation, a country
20 the per capita income of which at the start of such
21 fiscal year is greater than the then-current World
22 Bank threshold for initiating the International Bank
23 for Reconstruction and Development graduation
24 process, and is equal to or less than the per capita

1 income threshold defined as a high-income economy
2 by the World Bank.

3 “(7) WEALTHY COUNTRY.—The term ‘wealthy
4 country’ means a country that is among the 40
5 countries with the highest gross domestic product
6 per capita at purchasing power parity as calculated
7 by the World Bank.”.

8 **SEC. 102. LESS DEVELOPED COUNTRY FOCUS.**

9 Section 1412 of the Better Utilization of Investments
10 Leading to Development Act of 2018 (22 U.S.C. 9612)
11 is amended by striking subsection (c) and inserting the
12 following:

13 “(c) LESS DEVELOPED COUNTRY FOCUS.—

14 “(1) IN GENERAL.—The Corporation shall
15 prioritize the provision of support under title II in
16 less developed countries.

17 “(2) UPPER-MIDDLE-INCOME AND HIGH-IN-
18 COME COUNTRIES.—

19 “(A) UPPER-MIDDLE-INCOME COUN-
20 TRIES.—The Corporation may provide support
21 under title II in an upper-middle-income coun-
22 try if, prior to providing the support, the Chief
23 Executive Officer certifies in writing to the ap-
24 propriate congressional committees that such
25 support—

1 “(i) is designed to produce significant
2 developmental outcomes or provide devel-
3 opmental benefits to the poorest population
4 of such country; and

5 “(ii) furthers the national economic or
6 foreign policy interests of the United
7 States.

8 “(B) HIGH-INCOME COUNTRIES.—The
9 Corporation may provide support under title II
10 in a high-income country, subject to following
11 conditions:

12 “(i) With respect to support for all
13 projects in such countries, the aggregate
14 amount of such support may not exceed 10
15 percent of the maximum contingent liabil-
16 ity of the Corporation authorized to be
17 outstanding pursuant to section 1433.

18 “(ii) With respect to support for any
19 single project in such a country—

20 “(I) the Corporation shall seek to
21 minimize its support to a level nec-
22 essary to achieve the development and
23 foreign policy goals of the United
24 States;

1 “(II) the Chief Executive Officer
2 shall certify to the appropriate con-
3 gressional committees that the Cor-
4 poration has made all reasonable ef-
5 forts to ensure that—

6 “(aa) the support is a pre-
7 ferred alternative to state-di-
8 rected investments by foreign
9 countries of concern or otherwise
10 furthers the strategic interest of
11 the United States to counter or
12 limit the influence of foreign
13 countries of concern;

14 “(bb) private sector entities
15 have been afforded an oppor-
16 tunity to support the project on
17 viable terms in lieu of support by
18 the Corporation; and

19 “(cc) the support is designed
20 to produce significant develop-
21 mental outcomes or provide de-
22 velopmental benefits to the poor-
23 est population of such country.

24 “(C) REPORT.—Not later than 120 days
25 after the date of the enactment of this sub-

1 section, and annually thereafter, the Corpora-
2 tion shall submit to the appropriate congres-
3 sional committees a list of all high-income coun-
4 tries in which the Corporation anticipates pro-
5 viding support in the subsequent fiscal year,
6 and, to the extent practicable, a description of
7 the type of projects anticipated.

8 “(D) DEFINITION.—In this subsection, the
9 term ‘foreign country of concern’ has the mean-
10 ing given that term in section 231.102 of title
11 15, Code of Federal Regulations.”.

12 **TITLE II—MANAGEMENT OF** 13 **CORPORATION**

14 **SEC. 201. BOARD OF DIRECTORS.**

15 Section 1413(b)(2)(A)(iii) of the Better Utilization of
16 Investments Leading to Development Act of 2018 (22
17 U.S.C. 9613(b)(2)(A)(iii)) is amended by striking “5 indi-
18 viduals” each place it appears and inserting “3 individ-
19 uals”.

20 **SEC. 202. CHIEF RISK OFFICER.**

21 Section 1413(f)(1) of the Better Utilization of Invest-
22 ments Leading to Development Act of 2018 (22 U.S.C.
23 9613(f)(1)) is amended—

1 (1) in the matter preceding subparagraph (A),
2 by striking “who—” and inserting “who shall be re-
3 movable only by a majority vote of the Board.”; and

4 (2) by striking subparagraphs (A) and (B).

5 **SEC. 203. CHIEF DEVELOPMENT OFFICER.**

6 Section 1413(g) of the Better Utilization of Invest-
7 ments Leading to Development Act of 2018 (22 U.S.C.
8 9613(g)) is amended—

9 (1) in paragraph (1)—

10 (A) in the matter preceding subparagraph
11 (A), by striking “who—” and inserting “who
12 shall be removable only by a majority vote of
13 the Board.”; and

14 (B) by striking subparagraphs (A) and
15 (B); and

16 (2) in paragraph (2)(B), by striking “under the
17 guidance of the Chief Executive Officer,”.

18 **SEC. 204. PAY COMPARABILITY.**

19 Section 1413(h)(2) of the Better Utilization of In-
20 vestments Leading to Development Act of 2018 (22
21 U.S.C. 9613(h)(2)) is amended—

22 (1) in subparagraph (A), by striking “50” and
23 inserting “100”; and

24 (2) in subparagraph (D)—

1 (A) by inserting “not to exceed 20 percent
2 of its” before “officers and employees”; and

3 (B) by striking “appointed under subpara-
4 graph (A)”.

5 **SEC. 205. VICE PRESIDENT FOR FOREIGN POLICY AND NA-**
6 **TIONAL SECURITY.**

7 Section 1413 of the Better Utilization of Investments
8 Leading to Development Act of 2018 (22 U.S.C. 9613)
9 is amended by adding at the end the following:

10 “(j) VICE PRESIDENT FOR FOREIGN POLICY AND
11 NATIONAL SECURITY.—

12 “(1) APPOINTMENT.—The Chief Executive Of-
13 ficer shall appoint a Vice President for Foreign Pol-
14 icy and National Security, from among individuals
15 with experience in foreign policy or national security
16 matters.

17 “(2) DUTIES.—The Vice President shall—

18 “(A) advise the Chief Executive Officer
19 and Deputy Chief Executive Officer on foreign
20 policy matters;

21 “(B) in addition to the Chief Executive Of-
22 ficer and the Deputy Chief Executive Officer,
23 represent the Corporation in the interagency
24 national security and foreign planning process;

1 “(C) work with other relevant Federal
2 agencies to identify projects that advance
3 United States foreign policy interests;

4 “(D) manage employees that are dedicated
5 to ensuring that the Corporation’s activities ad-
6 vance United States foreign policy and national
7 security interests and diplomatic strategy, in-
8 cluding through—

9 “(i) long-term strategic planning;

10 “(ii) issue and crisis management;

11 and

12 “(iii) the advancement of foreign pol-
13 icy initiatives;

14 “(E) foster and maintain relationships
15 within the Corporation and external to the Cor-
16 poration that increase the capacity of the Cor-
17 poration to achieve its mission to advance
18 United States foreign policy and national secu-
19 rity interests; and

20 “(F) coordinate within the Corporation to
21 ensure United States foreign policy and na-
22 tional security interests are considered together
23 with the Corporation’s development goals.”.

1 **TITLE III—AUTHORITIES RELAT-**
2 **ING TO PROVISION OF SUP-**
3 **PORT**

4 **SEC. 301. APPLICABILITY OF FEDERAL CREDIT REFORM**
5 **ACT OF 1990.**

6 Section 1421(c) of the Better Utilization of Invest-
7 ments Leading to Development Act of 2018 (22 U.S.C.
8 9621(c)), as amended by this title, is further amended by
9 adding at the end the following:

10 “(8) APPLICABILITY OF FEDERAL CREDIT RE-
11 FORM ACT OF 1990.—

12 “(A) IN GENERAL.—Subject to subpara-
13 graphs (B) and (C), support provided under
14 paragraph (1) with respect to a project shall be
15 subject to the Federal Credit Reform Act of
16 1990 (2 U.S.C. 661 et seq.) for purposes of ap-
17 plying the requirements of such Act to such
18 support.

19 “(B) DETERMINATION OF COST.—

20 “(i) IN GENERAL.—For purposes of
21 section 502(5) of the Federal Credit Re-
22 form Act of 1990 (2 U.S.C. 661a(5)) the
23 cost of support provided under paragraph
24 (1) with respect to a project shall be the
25 net present value, at the time when funds

1 are disbursed to provide the support, of the
2 following estimated cash flows:

3 “(I) The purchase price of the
4 support.

5 “(II) Dividends, redemptions,
6 and other shareholder distributions
7 during the term of the support.

8 “(III) Proceeds received upon a
9 sale, redemption, or other liquidation
10 of the support.

11 “(IV) Adjustments for risk of es-
12 timated losses, if any.

13 “(ii) CHANGES IN TERMS IN-
14 CLUDED.—The estimated cash flows de-
15 scribed in subclauses (I) through (IV) of
16 clause (i) shall include the effects of
17 changes in terms resulting from the exer-
18 cise of options included in the agreement
19 to provide the support.

20 “(C) REESTIMATE OF COST.—When the
21 estimated cost of support provided under para-
22 graph (1) with respect to a project made in a
23 single fiscal year is reestimated in a subsequent
24 year, the difference between the reestimated
25 cost and the previous cost estimate shall be

1 paid from, or transferred to, the balances avail-
2 able in the Corporate Capital Account estab-
3 lished under section 1434.”.

4 **SEC. 302. SUBORDINATION.**

5 Section 1421 of the Better Utilization of Investments
6 Leading to Development Act of 2018 (22 U.S.C. 9621)
7 is amended by adding at the end the following:

8 “(j) SUBORDINATION.—

9 “(1) IN GENERAL.—The Corporation may ac-
10 cept a creditor status that is subordinate to that of
11 other creditors, if the Corporation—

12 “(A) has determined that an acceptable
13 level of risk of non-payment or under-payment
14 has been established; and

15 “(B) provides to the appropriate congress-
16 sional committees—

17 “(i) notice of the determination of an
18 acceptable level of risk of non-payment or
19 under-payment; and

20 “(ii) the information required by
21 paragraph (2).

22 “(2) INFORMATION REQUIRED.—The informa-
23 tion required by this paragraph includes—

24 “(A) the amount of each such financial
25 commitment;

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

3 “(C) a description of the project, activity,
4 or asset and the development goal or purpose to
5 be achieved by providing support by the Cor-
6 poration.”.

7 **SEC. 303. TERMINATION.**

8 Section 1424(a) of the Better Utilization of Invest-
9 ments Leading to Development Act of 2018 (22 U.S.C.
10 9624) is amended by striking “7 years after the date of
11 the enactment of this Act” and inserting “7 years after
12 the date of the enactment of the DFC Modernization and
13 Reauthorization Act of 2024”.

14 **TITLE IV—OTHER MATTERS**

15 **SEC. 401. CORPORATE POWERS.**

16 Section 1432(a) of the Better Utilization of Invest-
17 ments Leading to Development Act of 2018 (22 U.S.C.
18 9632(a)) is amended—

19 (1) in paragraph (2), by striking “division C of
20 subtitle I of”; and

21 (2) in paragraph (10), by striking “until the ex-
22 piration of the current lease under predecessor au-
23 thority, as of the day before the date of the enact-
24 ment of this Act”.

1 **SEC. 402. MAXIMUM CONTINGENT LIABILITY.**

2 Section 1433 of the Better Utilization of Investments
3 Leading to Development Act of 2018 (22 U.S.C. 9633)
4 is amended by striking “\$60,000,000,000” and inserting
5 “\$120,000,000,000”.

6 **SEC. 403. AUTHORITY TO USE PORTION OF CORPORATION**
7 **FEES TO UPDATE INFORMATION TECH-**
8 **NOLOGY SYSTEMS.**

9 Section 1434 of the Better Utilization of Investments
10 Leading to Development Act of 2018 (22 U.S.C. 9634)
11 is amended—

12 (1) in subsection (d)—

13 (A) in paragraph (1)—

14 (i) in subparagraph (B), by adding
15 “and” at the end;

16 (ii) in subparagraph (C), by striking
17 the semicolon at the end and inserting a
18 period; and

19 (iii) by striking subparagraph (D);
20 and

21 (B) in paragraph (2)—

22 (i) in subparagraph (B), by striking
23 “and” at the end;

24 (ii) in subparagraph (C), by striking
25 the period at the end and inserting a semi-
26 colon; and

1 (iii) by adding at the end the fol-
2 lowing:

3 “(D) project-specific transaction costs; and

4 “(E) transfers and additions to such other
5 accounts, funds, or reserves as the Corporation
6 may establish, at such time and in such
7 amounts as the Board may determine.”; and

8 (2) in subsection (k)—

9 (A) in paragraph (1), by inserting “other
10 direct costs associated with origination or moni-
11 toring services, including seminars, conferences,
12 and other preinvestment services,” after “legal
13 expenses,”; and

14 (B) in paragraph (2), by striking “does not
15 include” and inserting “includes”.

16 **SEC. 404. REPEAL OF EUROPEAN ENERGY SECURITY AND**
17 **DIVERSIFICATION ACT OF 2019.**

18 The European Energy Security and Diversification
19 Act of 2019 (title XX of division P of Public Law 116–
20 94; 22 U.S.C. 9501 note) is hereby repealed.

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