

## **Better Utilization of Investments Leading to Development (BUILD) Act of 2018 (H.R.5105/S.2463)**

**The Issue:** The U.S. is falling short on a critical part of its economic development toolkit: development finance. For example, the U.S. economy is seven times the size of the United Kingdom economy, yet in 2017 the U.K. proposed quadrupling its development finance portfolio to double the U.S. portfolio.

**The Solution:** Currently, the U.S. utilizes multiple federal agencies and programs to promote sustainable growth across the globe. The BUILD Act will merge these agencies and federal development programs into one, full-service, self-sustaining U.S International Development Finance Corporation (IDFC). By consolidating these programs and agencies into one, the U.S. will spark economic growth in developing countries while improving its global competitiveness.

- The BUILD Act **establishes the United States International Development Finance Corporation (IDFC)** by combining the Overseas Private Investment Corporation (OPIC) with the Development Credit Authority, the enterprise funds, and the office of Private Capital and Microenterprise at the U.S. Agency for International Development (USAID). This will **double the total U.S. development finance portfolio to \$60 billion and streamline its development finance efforts under a new standalone agency.**
- **The IDFC will not cost U.S. taxpayers a dime.** In fact, as U.S. companies turn a profit and pay back their loans with interest, the current U.S. development finance agency – OPIC – has **returned nearly \$4 billion to the U.S. Treasury in deficit reduction over the last 10 years.**
- The proposal includes reformed and modernized tools to **ensure that U.S. development finance effectively catalyzes but does not displace private sector resources**, and does not create undue risk for the U.S. taxpayer.

**Cost:** The Congressional Budget Office (CBO) projects that H.R.5105/ S.2463 would require some funds for reorganization, which were allocated in the FY2018 omnibus by the request of the administration. Thereafter, the Development Finance Corporation would be self-funding but Congress would control its budget through the appropriations process.

### **Other Noteworthy Facts**

- The BUILD Act was introduced in the House by Reps. Yoho (R-FL) and Smith (D-WA), and in the Senate by Sens. Coons (D-DE), Isakson (R-GA), Murphy (D-CT), Young (R-IN), Shaheen (D-NH), Portman (R-OH) and Kaine (D-VA).
- Rep. Yoho stated, “Taking countries from aid to trade is the end goal. 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. There is truth to the saying a rising tide lifts all boats. The BUILD Act will help make this a reality.”