

dividual 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) Conflicts of interest**

The Corporation shall establish and publish procedures for avoiding conflicts of interest on the part of officers and employees of the Corporation and members of the Development Advisory Council established under subsection (i).

**(D) 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.

**(i) Development Advisory Council**

**(1) In general**

There is established a Development Advisory Council (in this subsection referred to as the "Council") to advise the Board on development objectives of the Corporation.

**(2) Membership**

Members of the Council shall be appointed by the Board, on the recommendation of the Chief Executive Officer and the Chief Development Officer, and shall be composed of not more than 9 members broadly representative of nongovernmental organizations, think tanks, advocacy organizations, foundations, and other institutions engaged in international development.

**(3) Functions**

The Board shall call upon members of the Council, either collectively or individually, to advise the Board regarding the extent to which the Corporation is meeting its development mandate and any suggestions for improvements in with respect to meeting that mandate, including opportunities in countries and project development and implementation challenges and opportunities.

**(4) Federal Advisory Committee Act**

The Council shall not be subject to the Federal Advisory Committee Act (5 U.S.C. App.).

(Pub. L. 115–254, div. F, title I, §1413, Oct. 5, 2018, 132 Stat. 3487.)

**Editorial Notes**

REFERENCES IN TEXT

This chapter, referred to in subsecs. (a), (b)(1)(A), and (c)(1), (3)(A), was in the original "this division", meaning division F of Pub. L. 115–254, Oct. 5, 2018, 132 Stat. 3485, which is classified principally to this chapter. For complete classification of division F to the Code, see Short Title note set out under section 9601 of this title and Tables.

The Federal Advisory Committee Act, referred to in subsec. (i)(4), is Pub. L. 92–463, Oct. 6, 1972, 86 Stat. 770, as amended, which is set out in the Appendix to Title 5, Government Organization and Employees.

CODIFICATION

Section is comprised of section 1413 of Pub. L. 115–254. Par. (4) of subsec. (d) of section 1413 of Pub. L. 115–254 amended section 5313 of Title 5, Government Organization and Employees.

**§ 9614. 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.

(Pub. L. 115–254, div. F, title I, §1415, Oct. 5, 2018, 132 Stat. 3492.)

SUBCHAPTER II—AUTHORITIES

**§ 9621. Authorities relating to provision of support**

**(a) In general**

The authorities in this subchapter shall only be exercised to—

(1) carry out of<sup>1</sup> the policy of the United States in section 9611 of this title and the purpose of the Corporation in section 9612 of this title;

(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 subchapter 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.

<sup>1</sup> So in original. The word "of" probably should not appear.

**(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 9611 of this title.

**(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 ag-

gregate amount of all equity investment made 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 assuring 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 9612(b) of this title, 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 subchapter, 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 spe-

cific 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, or studies for 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) Private character of funds**

Nothing in this section shall be construed to make an enterprise fund an agency or establishment of the United States Government, or to make the officers, employees, or members of the Board of Directors of an enterprise fund officers or employees of the United States for purposes of title 5.

**(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 subchapter 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 10 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 subchapter shall be subject to section 2382(c) of this title.

**(i) Small business development****(1) In general**

The Corporation shall undertake, in cooperation with appropriate departments, agencies, and instrumentalities of the United States as well as private entities and others, to broaden the participation of United States small businesses and cooperatives and other small United States investors in the development of small private enterprise in less developed friendly countries or areas.

**(2) Outreach to minority-owned and women-owned businesses****(A) In general**

The Corporation shall collect data on the involvement of minority- and women-owned businesses in projects supported by the Corporation, including—

- (i) the amount of insurance and financing provided by the Corporation to such businesses in connection with projects supported by the Corporation; and
- (ii) to the extent such information is available, the involvement of such businesses in procurement activities conducted or supported by the Corporation.

**(B) Inclusion in annual report**

The Corporation shall include, in its annual report submitted to Congress under section 9653 of this title, the aggregate data collected under this paragraph, in such form as to quantify the effectiveness of the Corporation's outreach activities to minority- and women-owned businesses.

(Pub. L. 115-254, div. F, title II, §1421, Oct. 5, 2018, 132 Stat. 3492.)

## TERMINATION OF SECTION

*For termination of section 7 years after Oct. 5, 2018, see section 9624 of this title.*

**Editorial Notes**

## REFERENCES IN TEXT

The Federal Credit Reform Act of 1990, referred to in subsec. (b)(3), is title V of Pub. L. 93-344 as added by Pub. L. 101-508, title XIII, §13201(a), Nov. 5, 1990, 104 Stat. 1388-609, which is classified generally to subchapter III (§661 et seq.) of chapter 17A of Title 2, The Congress. For complete classification of this Act to the Code, see Short Title note set out under section 621 of Title 2 and Tables.

**§ 9622. Terms and conditions****(a) In general**

Except as provided in subsection (b), support provided by the Corporation under this subchapter 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 subchapter:

(1) The Corporation shall provide support using authorities under this subchapter 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.