BACKGROUNDER

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The U.S. Development Finance Corporation Is Failing to Counter China

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KEY TAKEAWAYS

The Development Finance Corporation is supposed to prioritize advancing U.S. national security goals, particularly countering China's Belt and Road Initiative.

Since standing up in 2020, however, the record shows that the DFC has not shifted its project selection to counter China.

Congress needs to instruct the DFC to focus on countering investments by U.S. adversaries and prioritize investment sectors in which China has gained ground.

In 2018, Congress passed the Better Utilization of Investments Leading to Development (BUILD) Act as part of the FAA Reauthorization Act.[1] The legislation created a new federal agency, the United States International Development Finance Corporation (DFC), to replace the Overseas Private Investment Corporation (OPIC) that had been created by Congress in 1969.[2]

Conservatives had opposed OPIC for years because it used the full faith and credit of the U.S. government to offer subsidized services in competition with the private sector and focused too much of its portfolio on countries or partners that had access to international financial markets.[3] Proponents convinced skeptical lawmakers to support the BUILD Act by arguing that it would serve as a response "to China's Belt and Road Initiative (BRI) and China's growing economic influence in developing countries," "increase the effectiveness and efficiency of U.S. government development finance functions," and "achieve greater cost-savings through consolidation."[4]

An examination of its projects in 2020 (the first full year of activity after the DFC was officially established in the fall of 2019) through the first quarter of 2021 reveals that the DFC has focused slightly more on low-income and lower-middle-income countries with less access to international capital markets than OPIC did, giving slightly more emphasis to its development mission. However, the DFC project portfolio to date shows little evidence of an increased focus on advancing U.S. national security and foreign policy, particularly with respect to countering the rising influence of China.

To live up to the promises made when the BUILD Act was enacted, the DFC needs to prioritize the advancement of U.S. foreign policy and national security goals, particularly countering China, among its other development priorities. Unfortunately, early indications from the Biden–Harris Administration are that the DFC will assign higher priority to other issues such as climate change and gender. Congress should therefore:

- **Mandate** that a least a third of DFC projects clearly focus on countering investments by China or other U.S. adversaries that would negatively impact America's national security interests;

- **Require** the DFC to prioritize energy, transportation, infrastructure, mining, and other sectors that are the targets of BRI efforts;

- **Limit** future DFC finance, insurance, and investment in upper-middle-income and high-income countries to projects that are explicitly designed to advance U.S. foreign policy and security interests;

- **Establish** a Foreign Policy and National Security Advisory Council to advise the DFC;

- **Require** the DFC to submit an annual report to Congress assessing each active project's strategic impact on America's foreign policy and security interests; and

- **Require** evidence of effectiveness and focus on projects that advance core U.S. foreign policy and national security interests, particularly with respect to countering China, before considering increases in DFC maximum contingent liability.

The DFC Is Up and Running

The BUILD Act was based on a 2011 proposal developed at the Center for Global Development to consolidate existing development finance agencies into a new federal agency with the intention of using development finance tools more effectively to encourage entrepreneurship and commercial activity in developing and emerging economies.[5] The proposal was fleshed out over several years but did not gain steam until was linked to the need to advance U.S. foreign policy and security interests and counter the rising influence of China.

The new DFC was established in 2019, and 2020 was its first full year of operation. The DFC has more than double OPIC's contingent liability limit ($60 billion vs. $29 billion) and a seven-year authorization.[6] The DFC is empowered to conduct all of OPIC's activities in more than 130 countries. It also, unlike OPIC, has the authority to make equity investments (under 30 percent) in both privately owned and public–private jointly owned foreign entities.[7] While the DFC made a few equity investments in 2020, it is constrained by federal budget scoring rules from making as much use of those resources as its supporters would like.[8]

Marketing the BUILD Act to Conservatives

In recent decades, many conservatives had questioned the wisdom and worth of continuing to support OPIC. In its fiscal year (FY) 2018 budget proposal, for example, the Trump Administration had proposed that OPIC be eliminated.[9]

Supporters of the BUILD Act recognized that support for a super-sized OPIC might be lacking. To gain support from the Trump Administration and Republicans in Congress, supporters marketed the BUILD Act as a vehicle to enhance and implement U.S. foreign policy and security interests and counter the rising influence of China. During the congressional debate on the act, then-Representative Ted Yoho (R–FL) and then-Senator and Senate Foreign Relations Committee Chairman Bob Corker (R–TN) took the lead to shore up conservative support. Their message to conservatives was to assure them that the DFC would streamline U.S. foreign assistance agencies, promote free-market development, focus projects on developing countries, and help to transition countries from aid to trade. According to Representative Yoho, for instance:

> MCC was the last major improvement in U.S. Foreign Aid. They have development metrics for our government to accomplish goals in nations we assist and

> ways to remove aid from countries that do not meet certain requirements. The BUILD Act will incorporate some of these ideas to streamline our foreign aid vehicles so we can help countries improve their infrastructures to develop their economies, and create strong bilateral trading partners. The ultimate goal is to transition countries from aid to trade efficiently and effectively.[10]

Senator Corker and Senator Chris Coons (D–DE) voiced bipartisan support. According to Senator Corker:

> Stimulating U.S. business investment in the developing world can create tremendous opportunities for economic growth, both here at home and abroad, while saving taxpayers millions of dollars in the process. Our legislation will advance American interests for stability abroad by using the free-market to help countries become more self-reliant and put U.S. foreign aid programs out of business.[11]

Senator Coons was similarly enthusiastic:

> Today, we are one step closer to creating a 21st century development finance institution that will help bring people out of poverty throughout the developing world, while helping U.S. businesses grow and succeed. [12]

While these good governance arguments were well received, the decisive argument was that the BUILD Act would offer a new, more robust tool with which to combat China's increasing influence through its BRI. According to former Representative Ed Royce (R–CA) and former Ambassador Robin Renee Sanders, the act "is a needed response to China's rapidly expanding economic presence in Africa.… The USDFC will help U.S. businesses better compete against state-subsidized Chinese firms" and "offer Africans more options for potential business partners and the benefits of working with U.S. companies that operate with more elevated standards."[13]

Senator Coons and then-Secretary of Commerce Wilbur Ross argued that the BUILD Act would help to "level the playing field" with China:

> As competitors like China explore opportunities to leverage state financing to pave economic inroads, U.S. government foreign investment entities remain fragmented and outdated.… Passage of the *Better Utilization of Investments Leading to Development Act of 2018*, better known as the BUILD Act, would change this unsustainable situation.[14]

Senators Coons and Corker further wrote that:

> Like us, the administration saw China making a concerted effort to expand economic inroads in Africa while U.S. development tools stagnated. Last month, Congress passed, and President Trump signed into law, our Better Utilization of Investments Leading to Development (BUILD) Act. Our bill empowers America to do well by doing good—and strengthens our hand to compete against China.[15]

Despite the prominent role that countering China played in rallying support for the BUILD Act, the legislation itself did not mention China, nor did it specifically direct the DFC to focus its efforts on counteracting Chinese influence or investments designed to advance those interests. The enacted legislation does state that one of the new corporation's purposes is "to provide countries a robust alternative to state-directed investments by authoritarian governments and United States strategic competitors."[16] This oblique reference to China, however, is easily ignored.

In fact, the BUILD Act spends far more time instructing the DFC on development activities than on advancing U.S. foreign policy or national security interests. For instance, the act establishes a Development Advisory Council of individuals who are "broadly representative of nongovernmental organizations, think tanks, advocacy organizations, foundations, and other institutions engaged in international development" to advise the DFC Board on "the extent to which the Corporation is meeting its development mandate."[17] It establishes no similar advisory council on foreign policy or national security.

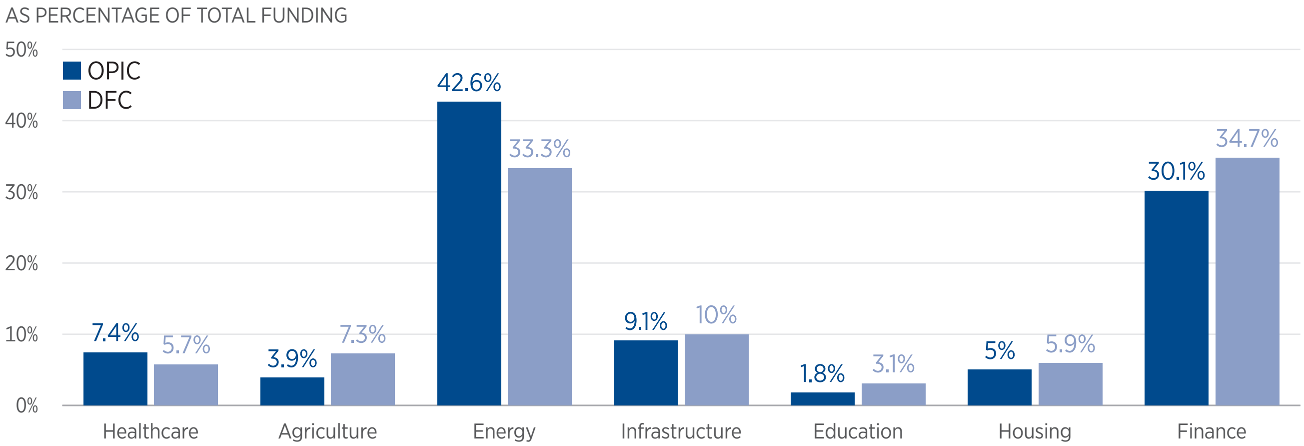
What Do the Statistics Reveal?

The BUILD Act's failure either to prioritize foreign policy and national security in project selection or to direct the DFC to counter China made it highly likely that the DFC would continue to focus on projects like those maintained by OPIC, which was folded into the DFC and whose staff comprises the bulk of DFC staff. Predictably, as illustrated in Chart 1, the DFC's commitments for finance, insurance, and investment projects by sector in 2020 through the first quarter of 2021 were very similar to those of OPIC from 2011 through 2018.[18]

To its credit, as shown in Chart 2, the DFC has marginally increased the percentage of total projects going to low-income and lower-middle-income countries and has slightly decreased the projects in

CHART 1

Overseas Private Investment Corporation (OPIC)/ Development Finance Corporation (DFC) Funding Commitments By Sector



NOTE: OPIC data are for 2011 to 2018. DFC data are from 2020 to the first quarter of 2021.
SOURCE: U.S. International Development Finance Corporation, “All Active Projects,” https://www.dfc.gov/our-impact/all-active-projects (accessed September 3, 2021).

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upper-middle-income and high-income countries as compared to OPIC.[19] Heritage experts have noted long-standing concerns that OPIC did not focus sufficiently on low-income and lower-middle-income countries that lacked access to private capital markets for development finance and insurance. If the purpose of OPIC and DFC projects is to facilitate development by providing finance, insurance, and investment when private-sector options are either unavailable or not economically feasible, projects in upper-middle-income and high-income countries, which have well-developed domestic financial markets and access to international capital markets, should be rare and driven generally by other foreign policy and security interests.

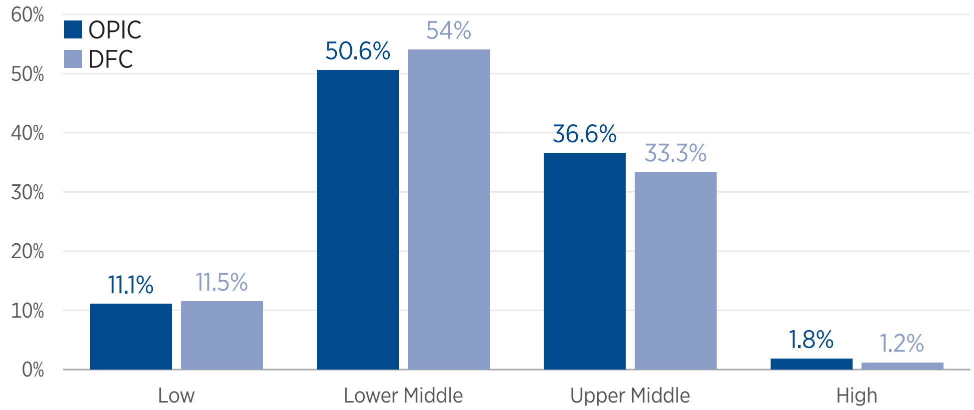
DFC Has Not Delivered on the Promise to Take on China

The DFC highlights on its website that it partners with the private sector to “finance solutions to the most critical challenges facing the developing world today.” This includes investments in the energy, health care, critical infrastructure, and technology sectors and “financing for

CHART 2

Recipient Country Income Levels

AS PERCENTAGE OF TOTAL FUNDING



NOTES: Percentages are based on the number of projects funded in countries with that income level, not on the gross amount of dollars spent within that country.
OPIC data are for 2011 to 2018. DFC data are from 2020 to the first quarter of 2021.
SOURCE: U.S. International Development Finance Corporation, "All Active Projects," https://www.dfc.gov/our-impact/all-active-projects (accessed September 3, 2021).

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small businesses and women entrepreneurs in order to create jobs in emerging markets."[20] Broadly, provided that they are viable and do not supplant the private sector, these projects serve to advance the DFC's development agenda.

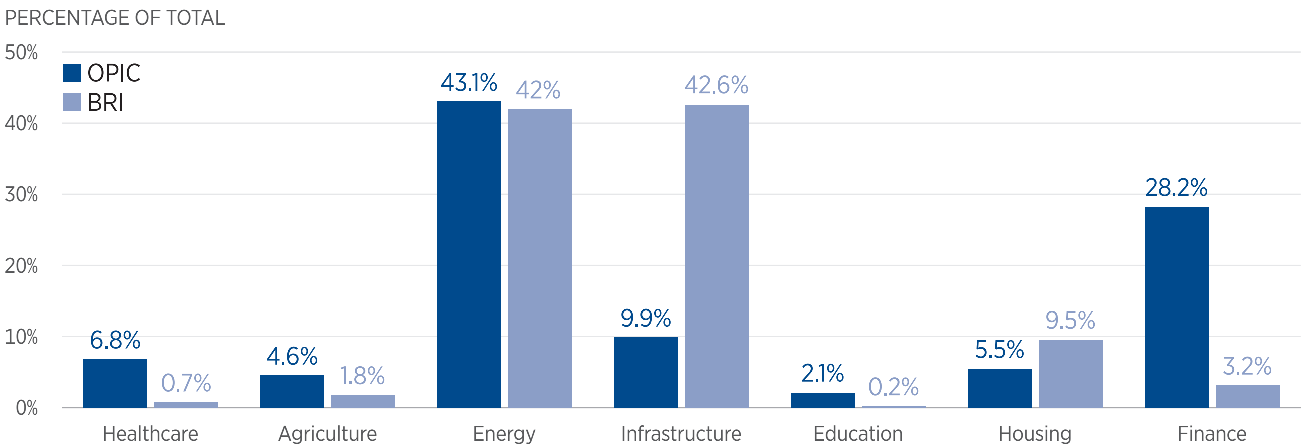
They do not, however, advance U.S. foreign policy and security interests by providing a compelling competitive option relative to China's BRI on infrastructure projects. According to Moody's Analytics:

> Since 2013, BRI investments and construction contracts worth US$614 billion have been made by China, accounting for 53% of the value of all such transactions by China globally from 2013 to 2018, and 61% of the number of such contracts. Far and away the biggest areas of investment are in energy and transport, which have accounted for 38 percent and 27 percent of BRI investments and construction contracts, respectively.[21]

Real estate and metals were the next two largest sectors. All other sectors totaled less than 20 percent of BRI investments and contracts over that period.[22]

CHART 3

Comparison of OPIC Project Commitments and Belt and Road Initiative (BRI) Lending



SOURCE: U.S. International Development Finance Corporation, "All Active Projects," https://www.dfc.gov/our-impact/all-active-projects (accessed September 3, 2021); and the American Enterprise Institute and the Heritage Foundation, "China Global Investment Tracker," https://www.aei.org/china-global-investment-tracker/ (accessed September 3, 2021).

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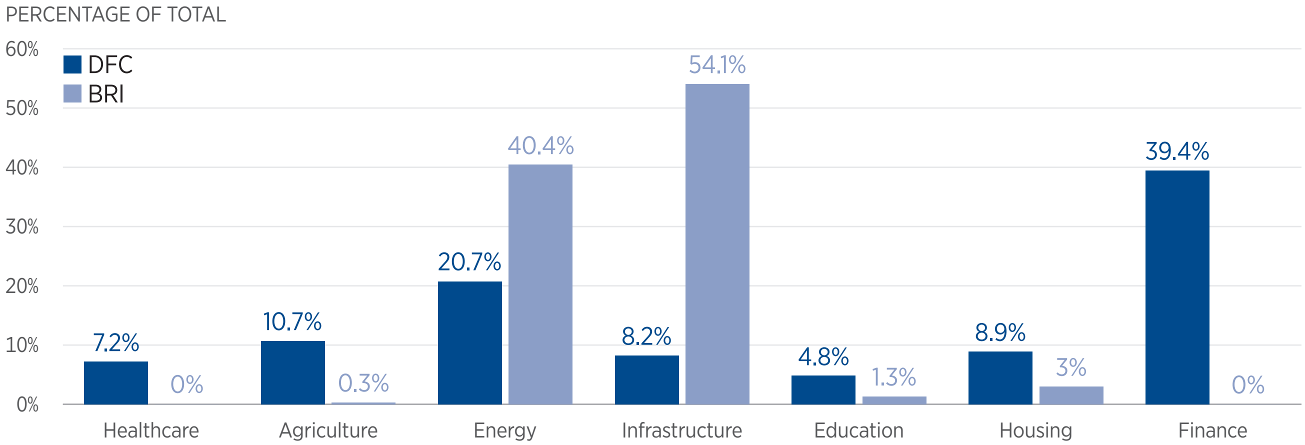
Analysis comparing sectoral lending under the BRI to commitments under OPIC (Chart 3) and the DFC (Chart 4) demonstrates that neither OPIC nor the DFC emphasized the sectors and types of projects that China prioritizes under the BRI.[23] DFC project selection in particular shows an emphasis on sectors other than the BRI-dominated infrastructure and energy sectors.

As can be seen in both charts, more than two-thirds of BRI lending is targeted directly on the energy and infrastructure sectors. By comparison, roughly half of the OPIC finance, insurance, and investment has been directed to those sectors and less than a third of DFC has. In fact, while finance, insurance, and investment commitments for infrastructure represent less than 10 percent of the total OPIC/DFC portfolio, infrastructure (for example, ports, airports, rail systems, and roads) accounts for more than 40 percent of total BRI lending.

In some cases, China's intent seems to be to leverage that debt to secure ownership or control of infrastructure[24] or to secure other objectives or support from the government.[25] This was a subject of concern when the BUILD Act was being considered. Former Vice President Mike Pence, for

CHART 4

Comparison of DFC Project Commitments and BRI Lending



SOURCE: U.S. International Development Finance Corporation, "All Active Projects," https://www.dfc.gov/our-impact/all-active-projects (accessed September 3, 2021); and the American Enterprise Institute and the Heritage Foundation, "China Global Investment Tracker," https://www.aei.org/china-global-investment-tracker/ (accessed September 3, 2021).

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example, emphasized the potential value of the BUILD Act and the DFC in giving foreign nations "a just and transparent alternative to China's debt-trap diplomacy."[26] The fact that the DFC has not made infrastructure projects a greater priority is troubling when one considers that countering China was to be a key focus of the new corporation and that this sector is a major focus of the BRI.

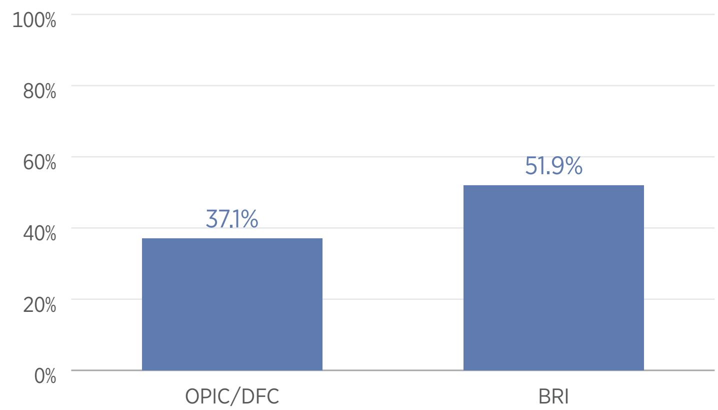
Additionally, Chart 3 shows that OPIC's lending to the energy sector was nearly equal to the BRI's, but Chart 4 shows that the DFC's commitments to energy sector projects lags significantly behind the BRI's.

Digging deeper, moreover, the composition of the projects reveals significant differences in the type of energy projects. As illustrated in Chart 5, more than half of BRI energy projects focus on the extraction and production of fossil fuels. "Between 2014 and 2017," according to a Council on Foreign Relations blog post, "91 percent of energy-sector loans made by six major Chinese banks to BRI countries were for fossil fuel projects. In 2018, 40 percent of energy sector lending went to coal projects. In 2016, China was involved in 240 coal plants in BRI countries, a number that has likely grown."[27] By comparison, as illustrated in Chart 5, just over a third of OPIC/DFC finance, insurance, and investment commitments in the

CHART 5

Commitments/ Lending for Hydocarbon Development

AS PERCENTAGE OF TOTAL FUNDING



SOURCE: U.S. International Development Finance Corporation, "All Active Projects," https://www.dfc.gov/our-impact/all-active-projects (accessed September 3, 2021); and the American Enterprise Institute and the Heritage Foundation, "China Global Investment Tracker," https://www.aei.org/china-global-investment-tracker/ accessed September 3, 2021).

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energy sector were for fossil fuel projects. In fact, of 895 active OPIC/DFC projects as of March 31, 2021, there were 119 utility projects.[28] But the large majority of the utilities projects involved biomass, photovoltaic, solar, wind, or other "clean" power generation. Diesel, gas, and oil power projects are scarce and will become more so based on public policy statements of the Biden Administration.[29] As noted by Center for Global Development Senior Fellow Scott Morris, the Biden Administration appears to be "embracing the full ambition of the BUILD Act, aiming to put the agency's substantial headroom and new array of financing instruments to work in support of an ambitious climate agenda along with measures to help address the on-going COVID-19 pandemic."[30]

The decision to avoid fossil fuel projects denies a relatively inexpensive and reliable power option at a time when developing countries are increasingly seeking higher power generation and capacity. Meanwhile, as noted, China has no such aversion to fossil fuel, either or at home or in its BRI power projects. The Biden Administration's focus on clean power is clear, but failure to support cost-effective solutions for poor nations—in addition to being imprudent—yields influence to China in this critical sector. The DFC needs the flexibility to engage in fossil fuel projects if it is to assist poor, developing nations to "industrialize and become prosperous."[31]

DFC Should Support Projects that Enhance U.S. Foreign Policy and National Security

Although support for the BUILD Act was based in significant part on arguments that it would counter the Belt and Road Initiative, the record indicates that the DFC has not shifted its finance, insurance, and investment to realize that purpose. In fact, comparing the areas of focus shows that the DFC has deemphasized energy and infrastructure.

Increasing commitments for agriculture, finance, education, microfinance, and women's entrepreneurship may be justified in terms of development impact, but China is not active in these sectors, and such projects do little to counter Chinese influence. Even in the energy sector, the DFC increasingly prioritizes renewable energy, while China does not hesitate to invest in more traditional fossil fuel–powered energy. Quite simply, the DFC is not focusing on the sectors upon which the BRI is focused.

This need not be the case. Chinese investment and construction projects frequently are in countries where the DFC is also active. The potential for the DFC to compete with the BRI is extensive, but to do so successfully, the DFC must emphasize activities that the BRI has also emphasized: fossil fuels, mining, construction, ports, power grids, railways, and information and communications technology. This does not mean abandoning more traditional development efforts, but it does mean that a reassessment is needed to prioritize sectors and projects where China and other adversaries are active. Some projects can illustrate the potential impact of such a reassessment.

- **Subic Bay Shipyard.** This project focuses on upgrading and improving the shipyards in the Philippines.[32] The U.S. Navy had a base in Subic Bay before leaving in 1992. In recent years, Chinese firms expressed interest in assuming control of the shipyard, and concerns mounted that this would further enable Chinese military expansion and claims in the South China Sea.[33] In its congressional budget justification, the DFC noted the importance of "ensuring that an investment in Subic Bay remained outside the grasp of authoritarian governments, maintaining a free and open South China Sea."[34]

- **Submarine Fiber-Optic Cable from Singapore to the United States.** In 2020, the DFC Board of Directors approved a $190 million financing project with Trans Pacific Networks Cayman Company that will "support the world's longest telecommunications cable" that "will directly connect Singapore, Indonesia, and the U.S. and have the capability to serve several markets in Southeast Asia and the Pacific."[35] This project helps to counter Chinese expansion of undersea cables that increase vulnerabilities to espionage and other security risks.[36]

- **Partnering with India's National Investment and Infrastructure Master Fund.** This $54 million equity investment in India supports core infrastructure like roads, ports, and airports.[37] It partners with a key emerging power in South Asia that the U.S. has courted to help counter China and advance joint interests through the Quadrilateral Security Dialogue (known as the Quad) along with Japan and Australia.[38]

- **Meridiam Infrastructure Africa Fund.** This $50 million in debt financing facilitates DFC investment in various infrastructure projects, including power generation in Senegal and Ethiopia, a hospital in Cote d'Ivoire, airport renovations in Madagascar, and port projects in Gabon and Mauritania.[39] These investments offer help to counterbalance China's efforts to make inroads in Africa.[40]

- **Dolphinus Gas Supply Agreement.** This $250 million political risk insurance commitment backs a pipeline from the Leviathan and Tamar offshore natural gas fields in Israel to Egypt. It supports the transport and selling of natural gas in Egypt to help meet growing demand.[41] It also offers a partial counterbalance to Russia, which is interested in building nuclear power plants in Egypt.[42]

These types of projects not only address development needs in partner countries, but also directly bolster U.S. foreign policy and security interests by engaging with projects in the sectors on which China and other adversaries are focused.

A More Focused DFC with Better Congressional Oversight

To attract support from conservatives, proponents of the BUILD Act argued that the DFC would be an effective counterweight to growing Chinese investments and influence through the BRI. Regrettably, the act did not specifically require the DFC to fulfill this purpose, and the evidence indicates that such a focus is not being emphasized in DFC project selection.

A properly focused Development Finance Corporation could play a useful role in advancing U.S. strategic interests and foreign policy goals and efforts to counter China. To ensure that the DFC maintains such a focus, Congress should:

- **Mandate that a least a third of DFC projects clearly focus on countering investments by China or other U.S. adversaries that would negatively impact America's national security and foreign policy interests.** The DFC has publicly committed to "expand[ing] its support for climate-linked projects so they account for at least 33 percent of new investments beginning in FY 2023."[43] Unlike advancing U.S. foreign policy and national security interests or countering Chinese influence, this commitment to climate-focused projects is not specified in statute, nor was it a prominent emphasis during the debate on the BUILD Act. Congress should ensure that its intent for the DFC—that it advance U.S. foreign policy and national security interests—is reflected in DFC projects.

- **Require the DFC to prioritize energy, transportation, infrastructure, mining, and other sectors that are the targets of BRI efforts.** This would address a key incentive for congressional support while leaving ample resources for microfinance, small and medium-size enterprises, women's entrepreneurship, and other development efforts. In addition, Congress should specifically instruct the DFC not to exclude fossil fuel energy projects. Hydrocarbons can be a more practical and less expensive and more reliable power source for developing countries that are seeking to expand their production of electricity and can be critical areas for economic growth and development. Neglecting these projects cedes a key sector to the BRI.

- **Limit future DFC finance, insurance, and investment in upper-middle-income and high-income countries to projects that are explicitly designed to advance U.S. foreign policy and security interests, particularly with respect to countering China and other adversaries.** Based on congressional intent as expressed during the BUILD Act debate, the DFC should be able to approve projects in strategically important upper-middle-income and high-income countries if those projects support U.S. national security or foreign policy priorities.

- **Establish a Foreign Policy and National Security Advisory Council to advise the DFC on increasing its support for U.S. foreign policy and security interests.** The BUILD Act created a Development Advisory Council to advise the DFC on ways to increase its development impact. A Foreign Policy and National Security Advisory Council should be established to balance this perspective inside the DFC. Its members should be established foreign policy, security, and technology experts appointed by Congress. The council should be instructed specifically to focus on how the DFC can counter efforts by foreign governments to use development finance to advance agendas that are harmful to U.S. foreign policy and national security interests.

- **Require the DFC to submit an annual report to Congress assessing each active project's strategic impact on America's foreign policy and security interests, particularly in relation to China and other adversaries.** Symbolic efforts to counter China, such as subsidizing nearshoring of businesses located in China regardless of their impact on Chinese or U.S. interests, should be avoided. Instead, DFC finance, insurance, and investments, particularly in upper-middle-income and high-income countries that have access to financial markets and do not have dire development needs, should clearly support U.S. foreign policy and national security interests.

- **Require evidence of effectiveness and focus on projects that advance core U.S. foreign policy and national security interests, particularly countering China, before considering increases in DFC maximum contingent liability.** Legislation has been introduced in Congress that would increase the DFC's maximum contingent liability from $60 billion to $100 billion.[44] There should be no consideration of increasing the financial capacity of the DFC until the corporation demonstrates a commitment to core U.S. foreign policy and national security interests, particularly with respect to countering China, and has established a track record of effectiveness and success.

Conclusion

To attract support from conservatives, proponents of the BUILD Act argued that the DFC would be an effective counterweight to growing

Chinese investments and influence through the BRI. Regrettably, the act did not specifically require the DFC to fulfill this purpose, and the record indicates that such a focus is not being prioritized in DFC project selection. As it stands, the DFC is merely a super-sized OPIC that, because of its extended authorization period and ability to use fees and other resources to pay for its operations, is less subject to regular congressional oversight.

A properly focused Development Finance Corporation could play a useful role in serving U.S. strategic interests and foreign policy goals and efforts to counter China. However, to ensure this focus, Congress needs to instruct the DFC to concentrate on countering investments by U.S. adversaries, particularly China, and prioritize investment sectors in which China has gained ground.

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Endnotes

1. H.R. 302, FAA Reauthorization Act of 2018, Public Law No. 115-254, October 5, 2018, Division F—BUILD Act of 2018, Sections 1401–1470, https://www.congress.gov/bill/115th-congress/house-bill/302/text?q=%7B%22search%22%3A%5B%22FAA+Reauthorization%22%5D%7D (accessed August 15, 2021).
2. The BUILD Act also "specifies that the Development Credit Authority (DCA), the existing legacy credit portfolio under the Urban and Environment Credit Program, and any other direct loan programs and non-DCA guarantee programs shall be transferred [from the U.S. Agency for International Development] to the IDFC." Shayeriah Ilias Akhtar and Marian L. Lawson, "BUILD Act: Frequently Asked Questions About the New U.S. International Development Finance Corporation," Congressional Research Service *Report for Members and Committees of Congress* No. R45461, January 15, 2019, p. 1, https://fas.org/sgp/crs/misc/R45461.pdf (accessed August 14, 2021).
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5. Todd Moss, "How Might Think Tanks Make Real Things Happen? Lessons from the Creation of the DFC," Center for Global Development *Note*, April 2020, https://www.cgdev.org/sites/default/files/lessons-from-the-creation-of-dfc.pdf (accessed August 14, 2021).
6. A provision added to the proposed United States Innovation and Competition Act of 2021 by Senator Chris Murphy (D–CT) would increase the IDFC liability limit from $60 billion to $100 billion. News release, "Senate Passes Murphy's Development Finance Corporation Provision in the U.S. Innovation and Competition Act," Office of U.S. Senator Chris Murphy, June 8, 2021, https://www.murphy.senate.gov/newsroom/press-releases/senate-passes-murphys-development-finance-corporation-provision-in-the-us-innovation-and-competition-act (accessed August 14, 2021). See also S. 1260, United States Innovation and Competition Act of 2021, 117th Cong., introduced April 20, 2021, https://www.congress.gov/bill/117th-congress/senate-bill/1260 (accessed August 14, 2021).
7. "Equity authority is the ability for the U.S. government to make investments into companies abroad either directly, by buying a percentage of the company, or indirectly, through funds that invest in those companies.... Under the BUILD Act, the DFC can now make equity investments as a minority investor in any entity or investment fund, as opposed to only being able to provide debt. Investments in equity are limited to (1) 30 percent of the total project and (2) a total limit of 35 percent of the DFC's total investment exposure, up to $21 billion." Dan Runde, Romina Bandura, and Janina Staguhn, "The DFC's New Equity Authority," Center for Strategic and International Studies, April 2020, pp. 1–2, https://www.csis.org/analysis/dfcs-new-equity-authority (accessed August 14, 2021).
8. Scott Morris, "Current Budget Rules Stand in the Way of a Reasonable Path for US DFC to Realize Ambition on Climate and Pandemic Response," Center for Global Development Blog Post, April 19, 2021, https://www.cgdev.org/blog/current-budget-rules-stand-way-reasonable-path-us-dfc-realize-ambition-climate-and-pandemic (accessed August 14, 2021).
9. Conservatives noted that OPIC often displaced the private sector rather than supplementing it, was present in countries with ample domestic financial institutions and/or access to international financial markets, and undermined incentives to adopt economic reforms. Riley, Schaefer, and Roberts, "Congress Should Support the Trump Administration's Proposal to Close Down OPIC."
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