

Investment Incentive Agreement (IIA)

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In news- India and the United States signed an Investment Incentive Agreement (IIA) at Tokyo, Japan recently.

About the Investment Incentive Agreement (IIA)-

- This IIA supersedes the Investment Incentive Agreement signed between the two countries in the year 1997.
- IIA has been signed to keep pace with the additional investment support programmes offered by the DFC, a development finance agency of the Government of USA, successor agency of the erstwhile Overseas Private Investment Corporation (OPIC) after the enactment of the **BUILD Act 2018**.
- The Better Utilization of Investments Leading to Development (BUILD) Act of 2018 reformed and strengthened American development finance capabilities into the DFC to help address development challenges and foreign policy priorities of the US.
- The IIA is the legal requirement for DFC to continue providing investment support in India.
- The investment support programmes offered include debt, equity investment, investment guarantee, investment insurance or reinsurance, feasibility studies for potential projects and grants.
- DFC has provided investment support in sectors such as COVID-19 vaccine manufacturing, healthcare financing, renewable energy, SME financing, financial inclusion, infrastructure etc. and proposals worth \$4 billion are under consideration.