## Going big on DFC. By Anna Gawel, *Devex Newswire*, 29 July 2025

U.S. President Donald Trump is floating a plan, seen by Devex, that would supersize the <u>U.S. International Development Finance Corporation</u>. Whether that's actually good for development remains to be seen.

My colleague Adva Saldinger has a <u>detailed breakdown of the proposal and what it</u> <u>means</u> for America's premier development finance institution. The White House's plan also comes as DFC faces a down-to-the-wire reauthorization in Congress, further putting its future in limbo.

Among the potential changes at the agency: a lot more investment firepower, greater reach, and less oversight.

Specifically, the Trump administration **envisions boosting DFC's maximum portfolio size** from \$60 billion to a whopping \$250 billion. It would also **create a revolving fund** — a type of financial mechanism that would allow DFC to make more equity investments and then reinvest any profits.

Perhaps the most controversial part of the administration's plan — to development advocates — is that **DFC would be permitted to invest in high-income countries**, shifting an initial mandate that focused more on lower-income countries. That could mean poorer countries already struggling to access private markets could be relegated to the sidelines.

There are also **plans to cut out what the Trump administration says are bureaucratic delays**. Today, DFC must notify the U.S. Congress of any project worth more than \$10 million. Trump would increase that amount to transactions over \$100 million. While it's not a new idea, Congress might balk at the prospect of giving up its oversight authority to such a degree.

But before any of this can even happen, <u>DFC needs to be reauthorized</u> — and there aren't a lot of legislative days left on the calendar before its expiration date of Oct. 6. This could imperil an agency that generally enjoys bipartisan support.

"It would be such a travesty, because it is actually something everyone agrees on," says William Henagan of the <u>Council on Foreign Relations</u>. "There's differences of policy thinking about what it should do and how it should operate, but there appears to be an area where everyone agrees this entity should exist, and so it's a tremendous failure of leadership that we can't simply reauthorize it."

Read: Trump has big plans for DFC as reauthorization deadline looms