

# INVESTMENT INCENTIVE AGREEMENT BETWEEN THE GOVERNMENT OF INDIA AND THE GOVERNMENT OF UNITED STATES OF AMERICA

Relevant for: International Relations | Topic: International Treaties & Agreements, and other important organizations

The Government of India and the Government of the United States of America has signed an Investment Incentive Agreement (IIA) today at Tokyo, Japan. The IIA was signed by Shri Vinay Kwatra, Foreign Secretary, Government of India, and Mr. Scott Nathan, Chief Executive Officer, U.S. International Development Finance Corporation (DFC).

This IIA supersedes the Investment Incentive Agreement signed between the Government of India and the Government of the United States of America in the year 1997. Significant developments have taken place since the signing of the earlier IIA in 1997 including the creation of a new agency called DFC, a development finance agency of Government of USA, as a successor agency of the erstwhile Overseas Private Investment Corporation (OPIC) after the enactment of a recent legislation of USA, the BUILD Act 2018. IIA has been signed, to keep pace with the additional investment support programmes, offered by the DFC, such as debt, equity investment, investment guaranty, investment insurance or reinsurance, feasibility studies for potential projects and grants.

The Agreement is the legal requirement for DFC, to continue providing investment support in India. DFC or their predecessor agencies are active in India since 1974 and have so far provided investment support worth \$5.8 billion of which \$2.9 billion is still outstanding. Proposals worth \$4 billion are under consideration by DFC for providing investment support in India. DFC has provided investment support in sectors that matter for development such as COVID-19 vaccine manufacturing, healthcare financing, renewable energy, SME financing, financial inclusion, infrastructure etc.

It is expected that signing of IIA would lead to enhanced Investment support provided by DFC in India, which shall further help in India's development.

\*\*\*

**DS/ST/AK**

The Government of India and the Government of the United States of America has signed an Investment Incentive Agreement (IIA) today at Tokyo, Japan. The IIA was signed by Shri Vinay Kwatra, Foreign Secretary, Government of India, and Mr. Scott Nathan, Chief Executive Officer, U.S. International Development Finance Corporation (DFC).

This IIA supersedes the Investment Incentive Agreement signed between the Government of India and the Government of the United States of America in the year 1997. Significant developments have taken place since the signing of the earlier IIA in 1997 including the creation of a new agency called DFC, a development finance agency of Government of USA, as a successor agency of the erstwhile Overseas Private Investment Corporation (OPIC) after the enactment of a recent legislation of USA, the BUILD Act 2018. IIA has been signed, to keep pace with the additional investment support programmes, offered by the DFC, such as debt, equity investment, investment guaranty, investment insurance or reinsurance, feasibility studies for potential projects and grants.

The Agreement is the legal requirement for DFC, to continue providing investment support in India. DFC or their predecessor agencies are active in India since 1974 and have so far provided investment support worth \$5.8 billion of which \$2.9 billion is still outstanding. Proposals worth \$4 billion are under consideration by DFC for providing investment support in India. DFC has provided investment support in sectors that matter for development such as COVID-19 vaccine manufacturing, healthcare financing, renewable energy, SME financing, financial inclusion, infrastructure etc.

It is expected that signing of IIA would lead to enhanced Investment support provided by DFC in India, which shall further help in India's development.

\*\*\*

**DS/ST/AK**

**END**

Downloaded from **crackIAS.com**

© **Zuccess App** by crackIAS.com

CrackIAS!