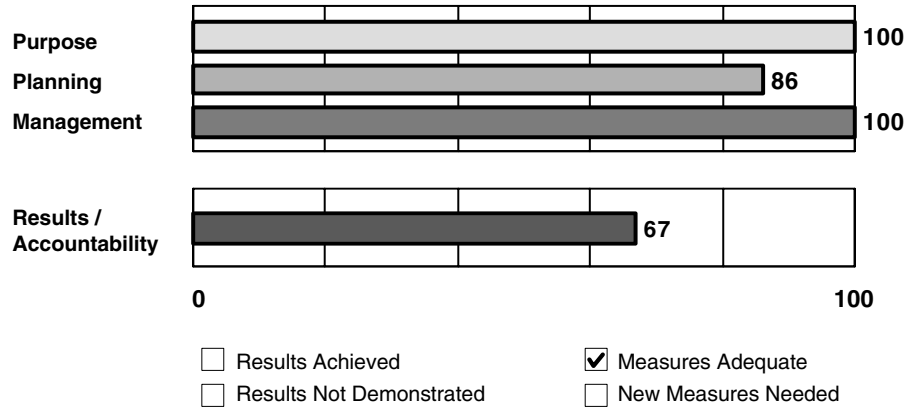


Program: Export Import Bank - Long Term Guarantees

Agency: Export-Import Bank of the United States

Bureau:



Key Performance Measures

	Year	Target	Actual
Long-term Measure: Financing terms (interest rates and fees) competitive with those terms provided by foreign governments to their exporters (Compet. = Competitive)	2001	Compet.	Compet.
	2002	Compet.	Compet.
	2003	Compet.	
	2004	Compet.	
Annual Measure: Percentage of Long Term Guarantees that involve high-risk markets or high-risk customers (Annual measures under development)	2001	60%	64%
	2002	60%	66%
	2003	60%	
	2004	60%	

Rating: Moderately Effective

Program Type: Credit

Program Summary:

The long-term guarantee program provides repayment protection for private sector loans to creditworthy buyers of U.S. exports to maximize support for US exports and contribute to the promotion and maintenance of U.S. jobs. The guarantee allows Ex-Im Bank to match financing offers from foreign competitors supported by their governments or to provide financing support for high risk countries/markets for which private financing is not available.

Findings from the PART assessment include the following:

1. The long-term guarantee program scored a perfect score for management evidenced in part by its ability to collect performance information, to use effective financial management practices, to have incentives and procedures to measure and achieve efficiencies and cost effectiveness, and to consistently meet the requirements of federal credit programs.
2. While the program analyzes guarantee applications to assess whether an exporter faces competition, it needs to strengthen its performance measure that assesses the availability of private financing for the export.
3. Overall, the program has demonstrated significant results in its ability to match financing offers from foreign competitors supported by their governments.
4. In 2001, 64% of the program's total long-term guarantee transactions involved high-risk markets or high-risk customers. Even though this rate exceeded the program's target of 60%, the program has not been able to justify the rationale for 60% as an adequate performance measure, nor has it been able to prove that private sector financing did not exist for all of these exports.

In response to these findings:

1. The President's Budget fully supports Ex-Im Bank's long-term guarantee lending levels and provides appropriate administrative resources. Due to sufficient carry-over resources, Ex-Im Bank does not require funding for credit subsidy in 2004. This lack of credit subsidy, in addition to the funding for administrative expenses and a large estimated increase in negative credit subsidy, produces the negative proposed funding level.
2. The Administration will work with the Bank to develop and implement more effective performance measures and to ensure that the Bank does not provide undue subsidies to exporters.

Program Funding Level (in millions of dollars)

<u>2002 Actual</u>	<u>2003 Estimate</u>	<u>2004 Estimate</u>
765	597	-36