



Environmental Exports Program

Ex-Im Bank is committed to increasing the level of support it provides to U.S. exporters of environmentally beneficial goods and services, as well as to U.S. exporters participating in environmental projects located internationally. To achieve this objective, Ex-Im Bank's Environmental Exports Program (EEP) provides enhanced levels of financial support for a broad range of renewable energy and other environmentally beneficial exports.

Financing Products:

Short-term environmental export insurance policy provides enhanced short-term, multi-buyer and single-buyer insurance coverage for environmentally beneficial export sales by U.S. small business exporters. The policy provides the exporter with the ability to offer credit terms to its foreign customers for up to 180 days. The features include:

- 95% commercial coverage and 95% political coverage with no deductible
- Advanced deposit of \$500
- Enhanced provision for assignment of insured receivables

The **working capital guarantee** enables small- and medium sized businesses to access funds to purchase raw materials and finished goods for export; to pay for materials and overhead to produce goods and services for export; and to cover stand-by letters of credit, and bid and performance bonds. This product gives lenders the confidence to extend loans to exporters for their pre-export funding needs.

Enhanced medium-term insurance and guarantees, and long-term loans and guarantees are available for environmentally beneficial export transactions. The enhancements include:

- **Local cost coverage** equal to 30 percent of the U.S. contract price.
- **Capitalization of interest** during construction.
- **Maximum allowable repayment terms** permissible under the Organization for Economic Cooperation and Development (OECD) guidelines and Ex-Im Bank's Country Limitation Schedule. Note: under an OECD agreement effective on July 1, 2005, and for a trial period lasting until June 30, 2009, certain renewable energy and water exports will be eligible for repayment terms of up to 15 years (see Maximum Allowable Terms).

Environmentally Beneficial Exports:

Exports qualifying for enhanced support under Ex-Im Bank's Environmental Export Program include (subject to Ex-Im Bank's determination):

- Exports for environmentally beneficial projects -- products or services for foreign environmental or renewable energy projects or facilities.
- Products and services *specifically* used to prevent, abate, control, or mitigate air, water and ground contamination or pollution, or which provide protection in the handling of toxic substances and wastes.

The following lists examples of transactions generally considered eligible for the Environmental Export Program, subject to credit review and compliance with Ex-Im Bank policies, including U.S. content and the Ex-Im Bank Environmental Guidelines.

Exports for the following types of projects are generally considered eligible:

- Air, water and soil pollution cleanup
- Ecology management or forestry management
- Certain renewable or alternative energy projects, including photovoltaic, wind, hybrid, biomass, fuel cells, waste to energy, hydroelectric, coal gasification and geothermal
- Projects specifically undertaken to bring existing plants/facilities into conformance with current local and/or Ex-Im Bank environmental guidelines
- Wastewater, sewage or waste treatment projects
- Toxic waste or substance cleanup projects
- Drinking-water treatment facilities

The following types of U.S. exports are generally considered eligible:

- Instruments to measure or monitor air or water quality
- Emission or effluent pollution control equipment
- Equipment for waste collection and disposal systems
- Services to upgrade environmental regulations
- Environmental assessments, ecological studies, environmental engineering and training services
- Ecological monitoring equipment
- Hazardous and toxic material handling devices
- Water purification devices and wastewater treatment systems
- Certain energy efficiency enhancement devices, services to improve efficiency

Maximum Allowable Repayment Terms:

Under the Environmental Exports Program, Ex-Im Bank will provide the maximum repayment term permitted by the OECD, subject to certain Ex-Im Bank limitations. The maximum OECD repayment terms vary from 8.5 to 15 years¹, depending on the OECD country category and the industrial sector of the exports and underlying project. Ex-Im Bank's ability to offer the maximum repayment term is subject to and may be limited by Ex-Im Bank's Country Limitation Schedule (CLS), credit considerations, and the useful life of the export. (The current CLS may be viewed on Ex-Im Bank's web site at www.exim.gov)

Exports for projects in the following sectors are covered by an OECD Agreement permitting repayment terms up to 15 years:

Renewable Energy:

- Wind energy
- Geothermal energy
- Wave power, tidal and tidal stream power
- Solar photovoltaic power
- Solar thermal energy
- Ocean thermal energy
- Hydro Power
- Bio-energy: all sustainable biomass, landfill gas, sewage treatment plant, gas and biogas energy installations

Water Sector:

- Infrastructure for supply of drinking water to households, such as water purification for the purpose of obtaining drinking water and distribution network (including leakage control).
- Wastewater collection and treatment facilities, such as collection and treatment of household and industrial wastewater collection and treatment facilities, including processes for water recycling and the treatment of sludge related to wastewater treatment and water recycling.

¹ Exports to Category I countries are eligible for up to 8.5 year repayment terms, while exports to Category II countries are eligible for up to 10 years. Non-nuclear power plants are eligible for up to 12-year repayment terms, regardless of country category. Under an OECD agreement that became effective on July 1, 2005, and is to remain in effect for a trial period until June 30, 2009, the maximum repayment term for certain renewable energy and water sector exports has been extended to 15 years, irrespective of the OECD country category. Please see Ex-Im Bank's Standard Repayment Terms fact sheet for more information.