



**EX-IM** Strategic Plan  
**BANK** 2010-2015

## EXPORT-IMPORT BANK OF THE UNITED STATES

“In a time when millions of Americans are out of work, boosting our exports is a short-term imperative. Our exports support millions of American jobs...So it’s critical in the short term, but it’s also critical for our long-term prosperity. Ninety-five percent of the world’s customers and the world’s fastest-growing markets are outside our borders. We need to compete for those customers because other nations are competing for them.”

*President Barack Obama*

Export-Import Bank Annual Conference

March 11, 2010

### Ex-Im Bank Mission

Ex-Im Bank enables U.S. companies—large and small—to turn export opportunities into real sales that help to maintain and create U.S. jobs and contribute to a stronger national economy.

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### Message from the Chairman



The Export Import Bank of the United States (Ex-Im Bank) is our nation's official export-credit agency. It was established to provide financing for U.S. exports in order to create and sustain American jobs. Ex-Im Bank fills the gap when private financing is unavailable (or available at terms that disadvantage U.S. exports), providing capital and credit enhancements to make sure that American goods and services reach their target markets abroad. The Bank is self-sustaining, doing its work at no cost to taxpayers. Ex-Im

Bank has been working to fulfill this mission for over 75 years.

Last year the world financial system suffered a crisis the magnitude of which had not been seen since the Bank's inception in 1934. As financial markets contracted, trade collapsed, and unemployment increased dramatically, Ex-Im Bank stepped into the breach. In a time of great uncertainty, the Bank authorized record levels of loans, guarantees and insurance to support U.S. exports.

The global economy is now recovering, creating opportunities for American exporters as the middle class expands in emerging economies. Exports are a major element of President Obama's economic strategy. In his first State of the Union address, he announced an executive order creating The National Export Initiative to coordinate export-promotion efforts across the government and set a goal of doubling exports in five years. Financing plays an important role in achieving this goal. President Obama is looking to Ex-Im Bank to play a crucial part in meeting this target, which the Bank is uniquely positioned to do because of its mission.

Our vision is to create and sustain U.S. jobs by substantially increasing the number of companies we serve and expanding their access to global markets. We want to get

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more U.S. companies to export to more countries and more customers, and thereby create more jobs here at home. To realize this vision, we need to meet three strategic goals:

- *Expand awareness of Ex-Im Bank services through focused business development and effective partnerships.* We are a small agency with a broad vision—and we will need focus and strong partnerships to achieve it. We must ensure that those who need us know us, especially the small businesses that are most in need of our services. And we will focus our business development activity in the sectors and countries where we see the greatest potential.
- *Improve the ease of doing business for customers.* We wish to create a customer-centered environment that provides exceptional service to help U.S. exporters be more competitive. To achieve this goal, we will need to improve our processes and reduce turnaround time.
- *Create a work environment that fosters high performance and innovation.* Our people are our greatest asset—we must make a great Bank even better for its employees, providing an environment that encourages our staff to achieve the first two goals.

This plan for the long-term, strategic direction of Ex-Im Bank can make a significant difference in the Bank's ability to fulfill its mission, and I know that my colleagues at this institution are committed to ensuring that this plan guides the daily work we do in promoting U.S. exports and supporting U.S. jobs.



Fred P. Hochberg  
Chairman and President  
Export-Import Bank of the United States

### Organization of the strategic plan

This five-year strategic plan is intended to build on the strengths of Ex-Im Bank. The document describes the goals the Bank has established to achieve our vision. It begins with a discussion of the major trends that we believe will shape the Bank's activities and influence our choices. It then describes our strategic goals.

For each goal, the plan provides a number of objectives which will help accomplish that goal. Ex-Im Bank has deployed teams to achieve these objectives. For each objective, in turn, we have articulated one or more strategies. These strategies are intended to give the reader a sense of how our teams plan on achieving the objective but are not meant to be an exhaustive set of actions or end products.

The sections on our goals are followed by a discussion of our congressional mandates. This section provides detail on our activities to promote small businesses (including woman-owned and minority-owned businesses), environmentally beneficial exports and transactions in sub-Saharan Africa. It also serves to connect our goals with these priority areas of the Bank. And finally, the section on measuring our performance provides the reader a sample of metrics we are using to assess progress towards our goals.

### Major trends affecting Ex-Im Bank: 2010-2015

Broad economic, institutional and policy trends will have implications for Ex-Im Bank's role and therefore its strategic choices over the next five years.

#### 1. Growing importance of exports driven by structural shifts in global economy

For years, the global economy has operated within the context of large external trade imbalances among countries. Although an external shortfall has been characteristic of the U.S. economy for some time, in recent years the current account deficit has increased in size, peaking at 6 percent of GDP in 2006. Consumption, which is constrained by high household-debt levels and wealth losses, can not continue to contribute to growth to the degree it has in the recent past. Therefore, going forward, in order for the U.S. economy to grow strongly, it must be driven more by external demand, i.e., net exports. This transition need not necessarily be rapid, but the sooner it begins, the smoother it will be.

The degree to which net exports can contribute more to U.S. economic growth depends largely on three factors – foreign demand, U.S. competitiveness and government policies. Regarding foreign demand, the global recession has been so severe in large part because it has been so synchronized. Almost all advanced economies experienced negative economic growth in 2009, thereby making it difficult for any individual country to rely on foreign demand to rebound from recession. Emerging markets, however, performed significantly better. While a number of emerging markets also fell into recession in 2009, many merely slowed, and several, particularly in Asia, grew at remarkably good rates given the global downturn. The degree to which emerging markets can continue to lead the global recovery, and to which advanced economies, particularly in Europe, can recover from recession, will play a large role in facilitating U.S. export-led growth.

Given the synchronization of the global recession, many countries will be vying to increase exports to boost GDP. U.S. exporters must therefore be prepared to compete aggressively for overseas markets. A large part of that is the ability to offer quality products at attractive prices. Therefore, competitiveness will play an important role. Recent labor productivity improvements have been very good — productivity rose 3.7 percent in 2009 compared to an average of 2.2 percent over the past 25 years. Relative prices on global markets will also be impacted by the international value of the U.S. dollar. Availability of attractive financing for U.S. products will aid competitiveness of our exporters.



Finally, global trade depends in part on policies appropriate to engender cross-border transactions. Given the intense competition among countries to increase net exports and to help employment recover, protectionist policies are a lurking danger. To date, most countries have resisted the urge to implement protectionist measures. However, as fiscal and monetary stimulus policies unwind, the threat could increase.

In summary, a recovery of foreign demand, strong U.S. competitiveness and appropriate trade policies are all important factors to helping the U.S. grow exports and reverse global imbalances. President Obama's national goal to double exports in five years and the National Export Initiative are in concert with these aims. Ex-Im Bank stands ready to serve a critical and more prominent role in financing the exports necessary to reach this goal. Indeed, given the great infrastructure needs of emerging markets, and their relatively good economic performance, Ex-Im Bank is well situated to finance the necessary exports to facilitate these important investments.

### **NATIONAL EXPORT INITIATIVE** **competitiveness ★ growth ★ jobs**

The Obama Administration launched the National Export Initiative (NEI) in response to the recent financial and economic crisis. This initiative recognizes the important role U.S. exports play in sustaining and creating jobs. The NEI creates an export-promotion cabinet with top leaders from the White House and key agencies (Council of Economic Advisors, Export-Import Bank, Department of the Treasury, Department of State, Department of Commerce, the Office of the U.S. Trade Representative, the Small Business Administration and others).

In addition, the NEI has a three-pronged response designed to unleash U.S. export potential and advance the Administration's goal of doubling exports and supporting two million new jobs over the next five years. The three prongs of the initiative are:

- (1) **Enhance advocacy services for the U.S. export sector** by working to improve international business opportunities for U.S. companies through trade missions, educating U.S. companies about opportunities abroad and introducing foreign buyers to U.S. companies.
- (2) **Increase financial support for U.S. exporters**, with a focus on small- and medium-sized enterprises (SMEs), by expanding the amount of export credit available. Ex-Im Bank has specifically been called on by President Obama to provide \$2 billion of additional credit to SMEs.
- (3) **Expand U.S. exporter access to global markets** by enforcement of international trade laws that remove barriers to open and fair access of foreign markets by U.S. exporters.

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## **2. Shifting landscape in the financial sector**

Credit provided by the banking sector enables trade to occur. Beginning in 2008, private-sector lenders retreated from trade finance by increasing the cost of funds, shortening maturities and tightening lending standards. This diminished access to trade financing is estimated to have accounted for roughly 10 percent of the drop in trade, according to the World Bank. It is unclear to what extent or when the retrenchment in the banking sector will reverse itself. Additionally, there is uncertainty about the implications of proposed international and national banking regulation on bank balance sheets and how banks will respond to lending in what is considered to be some of the riskier segments of the market—trade credit and small-business lending.

A possible consequence of any new regulations such as Basel II/III reforms would be the need for increased official export-credit agency (ECA) trade finance support for private lenders in order to reduce risks and related costs. To respond to such an evolving situation, Ex-Im Bank must ensure that those who need us know about us and that we are prepared to handle higher levels of demand for our products. In this regard, we must strengthen our partnerships with private-sector financial intermediaries in order to fill the credit gap faced most critically by small businesses and examine prudent ways to improve our case-processing systems.

## **3. Increased competition from foreign export-credit agencies (ECAs)**

Adding further uncertainty to the picture are the foreign ECAs that have adapted to new realities and requirements of the global economic system by broadening the scope of their mandates and the breadth of their products. ECAs such as those in Canada and Italy are given great autonomy and few restrictions on the support they can offer their exporters. While most of the ECAs in countries belonging to the Organization for Economic Cooperation and Development (OECD) operate within agreed-upon rules, there is a growing trend among some ECAs toward undertaking financing options that fall outside the parameters of the OECD Arrangement (which provides a set of guidelines for officially supported export credits).

Moreover, further complicating the picture are the non-OECD ECAs that are posing a competitive threat. Some of these players have been consistently and dramatically increasing their support for their exporters, often offering preferential terms outside of and beyond internationally accepted terms and conditions.

These realities pose a particular challenge for Ex-Im Bank in its support for U.S. exporters and requires us to get the basics right. We must be known by the exporter and banking communities, our programs and products must be responsive to their needs, and we must minimize the operational hurdles so our customers can use us without difficulty. At the same time, we must explore options to counteract the aggressive actions of the outlier ECAs while engaging in efforts to get them to agree to a mutually acceptable set of rules.

#### **4. Greening of the trade landscape**

An additional factor that is likely to have a growing influence is global climate change and the negotiations and discussions surrounding it. These discussions are giving rise to expectations about possible shifts in the trade landscape as it pertains to low-carbon and renewable-energy technologies. Although precise U.S. (and foreign) policy and legislative actions aimed at identifying and developing technologies that result in low-carbon energy have yet to be defined, consumers and industries worldwide are anticipating trade opportunities in this emerging “clean” energy sector arising from the post-Copenhagen framework.

New restrictions adopted to mitigate global climate change also figure prominently on the Ex-Im Bank horizon, in particular the newly approved carbon policy that allows the Board of Directors to consider potential detrimental effects of high-intensity carbon projects at an early stage of the due-diligence review process of the financing applications relating to these projects. Corollary international agreements could also frame trade priorities (e.g., OECD extended terms for climate-change mitigation technologies) and influence how certain export sectors ultimately perform.

Given global trends favoring climate-friendly technologies, the Obama Administration’s emphasis on renewable energy, and our congressional mandate to support renewable-energy and environmentally beneficial exports, we will strive to find ways to promote transactions that meet these criteria.

## Goal 1

### Expand awareness of Ex-Im Bank services through focused business development and effective partnerships

The macroeconomic trends discussed in the prior section suggest that exports will be crucial to job creation, growth and recovery from this recession. Our ability to support exports and the jobs they provide requires that those who need us, know us. Given that we are a small agency with fewer than 400 employees, we must leverage partnerships to increase our reach and distribute our products, and we must focus our outreach in areas that will yield the greatest return.

#### **Objective 1.1: Expand breadth and depth of partnerships to increase reach**

Ex-Im Bank stands as one of the smallest federal-government agencies in terms of personnel. Because of our size we need to achieve operational leverage through partners. Effective partnerships allow us to leverage the origination and underwriting capabilities of other institutions such as banks, insurance brokers, insurers, city-state economic development entities, trade organizations and other agencies within the federal government.

For example, in our Working Capital Guarantee Program, which is one of our stronger models of partnerships with a financial intermediary, partner banks originate and underwrite transactions on a delegated-authority basis. There are only 25 banks that originated more than two transactions in FY 2009. Ten banks comprise 80 percent of transactions. Since there are over 8,000 banks operating in the United States today, there is an opportunity to increase the number of banks with which we work. Similarly, we must identify and cultivate other partnerships that elevate our profile within the financial-intermediary and exporter communities.

**Strategy 1.1.1:** Assess gaps in our product portfolio and channels. Identify partnerships to implement new products and new channels for existing products. For instance, Ex-Im Bank should explore credit insurers and credit unions as a possible channel through which to distribute our insurance and guarantee products.

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**Strategy 1.1.2:** Assess existing partnerships and identify candidates (both financial and nonfinancial intermediaries and sister government agencies) for systematic outreach. These partnerships are intended to extend our reach broadly, but especially with small businesses, woman-owned and minority-owned businesses, and entities that can help originate environmentally beneficial or sub-Saharan Africa transactions.

### **Objective 1.2: Target business development to countries with high potential for U.S. export growth**

Ex-Im Bank is open for business in approximately 175 countries. However, given our limited business development resources, we need to focus our outreach efforts to parts of the world with the greatest potential to support U.S. exports. We have selected nine high potential countries to focus our efforts and develop an outreach plan in each that identifies importers, financial institutions and key governmental agencies.

Our focus countries are Mexico, Brazil, Colombia, Turkey, India, Indonesia, Vietnam, Nigeria and South Africa. These countries were selected using a number of quantitative and qualitative factors. The former include size of export market for U.S. firms, projected growth, projected infrastructure needs and Ex-Im Bank's current penetration in that market. The qualitative factors include our business development team's assessment of where we can make a difference and our congressional mandate in sub-Saharan Africa. The projected investment in infrastructure over the next five years across these countries is over \$3 trillion, which suggests enormous opportunity for U.S. exporters in these countries.

**Strategy 1.2.1:** Develop outreach plan for each country. Plans should include targeted private-sector and public-sector buyers, financial institutions and government agencies. We will identify areas where we can pre-approve credit facilities to maximize the support we provide to U.S. exporters, particularly small businesses.

**Strategy 1.2.2:** Create an integrated business-development function to manage activity and outcome-based measures in these countries. Align senior bank officials' outreach with these high-priority countries.

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## **Objective 1.3: Build expertise and tailored offerings in industries with high potential for U.S. export growth**

Ex-Im Bank has built deep expertise in transportation financing, particularly in aircraft financing, allowing us to serve that sector's needs in a proactive, collaborative way. Ex-Im Bank's staff has a deep understanding of the industry, both the manufacturers and buyers, and has developed a great depth of expertise in structuring cross-border, asset-based lending deals. That expertise has been invaluable in boosting U.S. aerospace and rail exports to markets in Africa, South America and Asia that previously had been viewed as too risky.

We have to examine other industries that can benefit from such a tailored or focused approach. This approach could require tailoring our business-development activity, tailoring our products to fit the way business is conducted in these industries, developing the deal structuring/financing expertise to better serve our customers or simply focusing our outreach activities intensely in a sector.

We have identified several industries potentially suited for this approach. These are medical technology, construction, agricultural and mining equipment, and power (both renewable and conventional). These industries support critical infrastructure needs around the world, and their choice helps position U.S. exporters well to serve that need. We are conducting diligence in these industries and are developing business plans to guide the way we serve those markets.

**Strategy 1.3.1:** Finalize target list of industries in which Ex-Im Bank can make the greatest difference either by elevating our awareness, aligning our product offering with industry needs or by developing the in-house expertise to better serve these segments.

**Strategy 1.3.2:** Develop business plans for each industry that should include specific outreach targets and approach, product changes or underwriting enhancements and additional staffing needs.

**Strategy 1.3.3:** Create an integrated business-development function to build expertise and manage activity and outcome-based measures in these industries.

## Goal 2

### Improve ease of doing business for customers

Making potential customers and financial intermediaries aware of our products and services is only the first step in filling the credit gap that exists in the market. It is vital that we are known as an organization that provides superior service to our customers. While adhering to our standards of risk management and our commitment to be self-sustaining, we will become customer-centric at all levels of the organization.

#### **Objective 2.1: Streamline end-to-end process from application submission to approval and disbursement**

Working with Ex-Im Bank can be time-consuming and cumbersome. The end-to-end process from application submission through disbursement will be designed with the customer in mind and with paramount importance placed on turning transactions around faster (while carrying out our fiduciary responsibility to the taxpayer). Our processes will be transparent to the customer and to our partners, and we will actively communicate along the way. In delivering against this objective, we will conduct an evaluation of our current end-to-end processes, relying on industry best practices to inform our thinking. Our goal will be to be able to deliver against specific turnaround-time service levels through improvements and changes in our processes and increasing our staffing in areas with bottlenecks. The goal is to motivate customers to use us when they need us and help them win bids by improving the time it takes to approve a transaction.

**Strategy 2.1.1:** Pilot a co-located, end-to-end deal team for the medium-term program that utilizes methodologies to process transactions more efficiently. Fine-tune process and implement broadly to better serve customers by increasing efficiency and decreasing turnaround time.

**Strategy 2.1.2:** Assess staffing needs in key transaction-processing roles. Set acceptable turnaround-time goals, and increase staffing as needed to meet these objectives.

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## **Objective 2.2: Optimize product portfolio and risk pricing**

Ex-Im Bank is a self-sustaining agency, returning more than \$5 billion to the Treasury since FY 1992. Our charter requires that we price to risk, ensure our prices are competitive with other ECAs and collect fees to cover our losses and administrative costs. These requirements are not always complementary—pursuing one can detract from another. Thus, striking the right balance between these sometimes competing requirements to efficiently support jobs is crucial.

We must examine areas where we believe program fees are inadequate to cover our administrative costs and losses going forward. The goal here is to understand the underlying drivers (e.g., high transaction costs for small deals) and reduce unnecessary or inefficient use of program budget (expected losses in excess of fees/interest collected) and be more deliberate as to when and why we utilize this budget.

Therefore, as a complement to the work we will do to streamline our end-to-end processes, we will also evaluate our existing products and programs to understand their economics, determine objectives, and align pricing and features to these objectives. This effort will ensure we are using our program budget in the areas that need it most, potentially also allowing us to take additional, prudent risk in areas that require it.

**Strategy 2.2.1:** Assess program economics of existing products to understand product economics by country, lender and other sub-segments. Align pricing to reflect risk and administrative costs and integrate with OECD pricing guidelines. As part of this exercise, we will identify trends and patterns that could help us identify lower-risk transactions. These factors could then be incorporated into our triage and underwriting processes to speed up our turnaround of applications.



## Goal 3

### Create an environment that fosters high performance and innovation

At Ex-Im Bank, our people are our most important resource. We compete with the private sector and other federal agencies for talent, and we need to ensure that Ex-Im Bank is a top option for prospective employees. In addition, we need to provide the professional opportunities and career development trajectory to keep our current staff excited and motivated to work here, and reward the high performance and innovation that will be required to achieve our vision.

#### **Objective 3.1: Update performance metrics for departments and individuals to reflect overall Bank strategy**

This objective aims to align the performance and talent-management system to our Bank's strategy. It is important to connect the strategy of the Bank to the work of each department and each individual so that we move in concert as an organization. We will review and update the performance metrics to align directly with our strategic vision. Through these metrics, each department and each individual will understand the impact of their daily work on making that vision a reality.

We will also evaluate the existing appraisal system to ensure it reflects the priorities and needs of the Bank. In addition to measuring performance, we will evaluate the talent-management process to ensure the Bank provides our employees with the development opportunities they need to make the Bank a professionally fulfilling place to work.

**Strategy 3.1.1:** Align performance review with the budget cycle. The review and budget cycles have been misaligned in recent years, which makes it more challenging for annual results to feed directly into the performance cycle that recognizes and rewards meaningful results.

**Strategy 3.1.2:** Identify divisional metrics to assess top-level performance. These metrics will be included in a "management dashboard" that can be used to manage the Bank's performance and identify areas of concern.

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**Strategy 3.1.3:** Initiate a cross-divisional effort from all levels of the Bank to improve our appraisal system and align it with our strategic goals, and identify areas where we can provide greater professional development opportunities to employees (through training and job rotations).

### **Objective 3.2: Enhance knowledge-management processes**

Through our origination, underwriting and claims processes, the Bank collects a large amount of information, typically in countries and firms that are not well understood by the broader market. Enhancing our ability to manage this knowledge and ensuring we are continually feeding our new insights back into our underwriting and pricing processes will make us more effective in mitigating risk and pricing our transactions appropriately.

**Strategy 3.2.1:** Put into place business-intelligence tools to gather, analyze and distribute information from all sources and make it available Bank-wide through an information portal.

**Strategy 3.2.2:** Use intra-agency forums to share knowledge and innovate new ways of serving customers.

### Congressional mandates

There are three areas of particular interest to Ex-Im Bank where Congress has mandated an increased focus. These areas have been noted in the articulation of our goals and objectives and are woven into all of the activities of this Bank. This section provides background on each of these areas, further detail on how they are integrated into our goals, and what we have done and plan to do as our strategy is implemented.

#### **1. Small business (including woman-owned and minority-owned businesses)**

Ex-Im Bank is active at the intersection of two crucial drivers to economic recovery and job creation—small businesses and exports. Given the Administration’s priorities in these two areas, our small business efforts are a particular area of focus, and we are crafting a plan to substantially increase our authorizations over the next two years in this area from \$4.4 billion in FY 2009.

Ex-Im Bank is congressionally mandated to ensure that 20 percent of our authorizations benefit small-business exporters, and we have done so successfully in the past. The Bank’s activity in the small business area is primarily driven through two products: a) short-term insurance, where Ex-Im Bank insures short-term foreign receivables of exporters or loans to foreign buyers, and b) working capital guarantees, where Ex-Im Bank guarantees working capital loans to domestic exporters, with security interest in inventory and foreign receivables. Medium- and long-term loans and guarantees to foreign buyers purchasing goods and services from U.S. small businesses currently comprise less than 10 percent of our small-business authorizations.

Ex-Im Bank originates small-business transactions through three channels:

- **Field staff:** We have 20 field business-development specialists located in eight out of 109 U.S. Export Assistant Centers to cover over 250,000 exporting firms across 50 states. These individuals call on exporters, attend trade shows and provide service to our distribution partners. They also maintain and grow our relationships with nonfinancial intermediaries such as city-state partners, trade groups, immigrant groups, and woman and minority-owned business organizations.

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- **Banking partners:** Ex-Im Bank currently has about 60 banking partners that originate working capital loans, with the top 10 comprising 80 percent of the volume. These partners mostly work under a delegated model, i.e., can underwrite a transaction which receives our guarantee if it falls within certain pre-defined parameters.
- **Brokerage partners:** Brokers originate a majority of short-term trade insurance transactions where we insure foreign receivables of exporters, short-term loans to foreign buyers and bank letters of credit. We have relationships with nearly 80 brokers across the country, but our top 10 partners account for 75 percent of the activity. Insurance transactions are underwritten by Ex-Im Bank staff.

Given our limited outreach capabilities and limited number of financial-intermediary partners, the need for more effective partnerships is particularly acute in the small-business space. The challenge of reaching small businesses that are likely to be less informed about their financing options, including Ex-Im Bank products, requires that we invest our efforts in expanding the breadth and depth of partnerships.

Our efforts in this area range from signing up more banks to market and distribute our existing products to developing new products and new channels to reach small-business exporters. On the latter point, we are developing products to provide credit to suppliers of U.S. exporters and provide incremental small-business credit insurance capacity through reinsurance of private credit insurers. We must also coordinate our actions with other government agencies, particularly the Department of Commerce and the Small Business Administration with which we will share leads. Finally, we must continue to work with trade groups to increase the awareness of our products and services.

In addition to developing partners, a second area of focus is increasing the ease of doing business with us. To that end, we are developing a streamlined, low-documentation insurance product for small business and taking steps to expand eligibility criteria for small businesses to access our working capital and insurance products. We are also adding staff in key transaction processing roles to reduce and eliminate bottlenecks.

In the longer term, we plan on exploring automated underwriting as a possible means of easing the operational burden of increased throughput. All these actions will help more businesses win more contracts and expand their export footprint.

An area of additional emphasis in the small-business group is firms owned by women and minorities. Disparities in capital access for these firms are well-documented. Ex-Im Bank has a dedicated team that directs their outreach activity to organizations that represent African-American, Hispanic, Asian, Native American and woman-owned enterprises. We will step up our coverage of these groups and identify more effective means of reaching them and helping address their financing challenges. We will also explore immigrant communities, which have a natural export market to exploit.

To achieve the lofty targets we have set in the small-business area (including woman-owned and minority-owned businesses), we are substantially increasing the resources devoted to it in terms of additional staff, capital investments and management attention.

### **2. Environmentally beneficial exports**

Congress has mandated Ex-Im Bank to support environmentally beneficial exports, with a particular focus on renewable energy. President Obama has expressed in no uncertain terms his vision that the United States be a leader in clean technology to boost exports, create jobs and reduce our reliance on energy imports. The Bank has done, and will continue to do, its part to fulfill its mandate and support President Obama's objectives and Congress's vision. In addition to a dedicated business-development and transaction team focused on renewable-energy and energy-efficient technology, we will:

- Engage in active outreach to banks and trade groups focused on this sector in order to grow and strengthen partnerships that help us originate transactions.
- Engage in business development with U.S. renewable-energy and energy-efficient exporters and potential project developers and importers overseas. One of our industry focus areas, power, includes renewable-energy production and energy-efficient transmission technology.

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- Deliver on our customer-service objective by enabling small renewable-energy project developers to use our services through “Solar Express,” a streamlined, cost-effective due-diligence process done entirely in-house.
- Provide maximum allowable incentives for renewable-energy and energy-efficient exports through enhanced financing terms. We took the first step in 2009 by championing and securing a consensus at the OECD to allow 18-year repayment terms for loans financing renewable-energy and water-treatment projects. In addition, Ex-Im Bank allows project developers to benefit from automatic coverage for capitalization of interest during construction and support for local costs of up to 30 percent of the U.S. export value.
- Remain the leader among ECAs regarding issues relating to climate change and the promotion of low to zero emissions and renewable-energy technologies. We are the first ECA to develop and implement a carbon policy that contains incentives for renewable energy and climate change mitigation technologies in addition to enhanced due-diligence procedures for high-intensity carbon projects. We will continue to promote our carbon policy and implementation plan at the OECD and other multilateral forums.
- Establish an environmental working group comprised of senior staff from various departments across the Bank that will help ensure compliance with the carbon policy and explore additional programs and procedures that can promote renewable-energy and other environmentally beneficial exports.

### 3. Sub-Saharan Africa

In 1997, the U.S. Congress directed Ex-Im Bank to increase financing of U.S.-manufactured goods and services to sub-Saharan Africa (SSA) in a manner consistent with the Bank’s requirement of reasonable assurance of repayment. Congress reaffirmed this mandate in the December 2006 reauthorization. To this end, Ex-Im Bank has:

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- Established an SSA Advisory Committee. This 11-member committee appointed by the Board of Directors provides insights and advice on the region to assist the Bank in fulfilling its mandate.
- Created a dedicated Africa business-development group.
- Created the \$100 million Short-Term Africa Initiative, which makes insurance available for exports to 20 SSA countries that would otherwise be ineligible for Ex-Im Bank support.
- Offered foreign-currency guarantees in CFA franc and South African rand.
- Created two bank facilities, one in Nigeria and the other in Angola. Banking facilities pre-approve credit risk of certain banks and enable these banks to rapidly originate and underwrite transactions with an Ex-Im Bank guarantee. In FY 2009, the Bank renewed its heavily subscribed \$1 billion Nigerian banking facility allocated among 14 banks. Also in FY 2009, Ex-Im Bank authorized a \$120 million Angolan Bank Facility that provides special delegated authority for short-term and medium-term private sector transactions covering four banks.

As part of the country initiative described in the previous section, Nigeria and South Africa are two of the nine focus countries for Ex-Im Bank. These two countries account for over 50 percent of U.S. export activity to SSA and represent the areas of greatest opportunity for Ex-Im Bank to create value and provide benefits to U.S. exporters and the host country. While we will continue to support all 43 SSA countries where we are open, our business development efforts will be disproportionately focused in these markets where the opportunity is greatest.

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Ex-Im Bank will strive to grow its Africa portfolio in the coming years. Our support of U.S. merchandise exports to the region (as a share of total U.S. exports to the region) exceeds our support of exports to the rest of the world—in FY 2009, we supported approximately 3 percent of U.S. merchandise exports to SSA, in contrast to 2 percent for the rest of the world. However, U.S. exports to SSA (whether they are financed by us or not) are relatively low and we will need to work with the Department of Commerce and other entities to bring more exporters to this region. Looking forward, Ex-Im Bank's SSA strategy will center around two core pillars:

- **Outreach:** Ex-Im Bank will continue its marketing efforts through domestic Africa-focused “Exports Live” events for U.S. exporters, overseas commercial diplomacy and other marketing efforts that include engagements with other U.S. government agencies, U.S. banks, foreign banks (including ones in Africa), multilaterals, corporates, trade associations, chambers of commerce and non-governmental organizations both in the United States and Africa. We will also continue to emphasize our industry outreach efforts in areas of strength, namely aviation, mining, and oil and gas.
- **Credit:** Ex-Im Bank will continue its support of traditional short-term trade finance and medium- and long-term capital-equipment transactions and projects. SSA's unique credit environment also requires Ex-Im Bank to creatively explore the use of structured financing products in order to mitigate risks inherent in that region.



### Measuring our performance

Ex-Im Bank departments and staff leverage a variety of performance measures for managing day-to-day operations. These metrics will continually be refined as new data are available and as Ex-Im Bank's strategy evolves.

At the highest level, we have chosen a handful of measures that will help us make certain that Ex-Im Bank is truly making progress toward our long-term goals. These measures encompass support for exports and jobs, management of risk and operational effectiveness.

**Number of bank partners.** We will track the number of active bank partners and bank partners new to Ex-Im Bank. This metric will reflect the progress we are making in expanding our partnerships.

**Number of new exporters supported.** We will monitor the number of new exporters Ex-Im Bank serves, including the number of small-business exporters using our products and services.

**Number of exporter-country combinations.** Our efforts to help more U.S. firms export to more countries can be measured through the number of exporter-country combinations over time.

**Volume of exports supported in high-priority countries and industries.** We will measure volume of exports we support in high-priority countries and industries. This measure will help us assess our targeted outreach efforts.

**Jobs created and sustained.** We estimate the jobs our authorizations support based on labor-market data linking exports to jobs. We will continue to look for ways to refine these estimates and obtain transaction-specific jobs data.

**Product and service innovations.** We will track the number of new products, improvements to existing products and incentives targeted to fill financing gaps in trade finance as well as the on-line accessibility and ease of use of our products and information.

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**Customer satisfaction.** We will measure and compare over time the accuracy, timeliness and quality of our interactions with customers and partners to ensure we are providing exceptional service.

**Transaction-cycle times.** We will monitor transaction-cycle times by product against published goals to ensure we are responsive to customer needs.

**Loss rates.** We will measure and track default rates and claims and recoveries for our portfolio to ensure risk is managed appropriately.

**Employee satisfaction scores.** We will track employee survey results to gauge how we are delivering on our goal of creating an environment that fosters high performance and innovation.

### Conclusion

The Export-Import Bank is focused on playing its part in the National Export Initiative to help achieve President Obama's goal of doubling exports and in aiding the economic recovery. We will do that by getting more U.S. companies to export to more countries and more customers, thereby creating more jobs here at home. We will make sure we are known more widely by those who could use our help, and develop the right partnerships to increase our reach. And we will make it easier for those partners and our customers to work with us by making this a customer-centric organization.

This strategic plan is designed to help guide our efforts at all levels of the organization and will be used as the basis for strategic and operational discussions internally. We invite our stakeholders to consider this plan and offer their views on where we are headed. And we welcome their feedback on our performance.

To submit comments, e-mail: [ten15feedback@exim.gov](mailto:ten15feedback@exim.gov).

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