



Export-Import Bank of the United States

Carbon Policy

The Export-Import Bank of the United States (Ex-Im Bank) acknowledges that broader international negotiations on climate are currently taking place in many fora, and domestic policies are currently under development by Congress and Federal agencies responsible for establishing and implementing the nation's environmental policies. Accordingly, Ex-Im Bank recognizes that developments in the climate arena require that it maintain a flexible and responsive approach towards the Carbon Policy and its implementation, while continuing to be a leader on these issues whenever possible. In approving the Carbon Policy, the Board of Directors recognizes the steps already taken by Ex-Im Bank's management to increase the Bank's support for renewable energy exports, including additional resources devoted to the promotion of Ex-Im Bank financing for these exports, expanded repayment terms for renewable energy transactions, and increased transparency in the tracking and disclosure of per project carbon dioxide emissions.

Financing Incentives for Very Low to Zero Carbon Dioxide-Emitting Renewable Energy Exports

Ex-Im Bank will increase export credit support for U.S. renewable energy exports that produce very low to zero carbon dioxide or carbon dioxide equivalent of greenhouse gases (CO₂) by increasing the resources devoted to promotion, marketing, and execution of such financings.¹ Ex-Im Bank will establish a \$250 million renewable energy facility and consider the introduction of a full range of incentives, including those terms available under the Environmental Exports Program. Ex-Im Bank will identify appropriate incentives and programmatic changes and

¹ Greenhouse gases, consistent with Executive Order 13514, are defined to include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulfur hexafluoride.

publically identify specific actions to implement these changes to facilitate the purchase of such renewable energy exports by foreign buyers. Ex-Im Bank will encourage export credit agencies, multilateral development banks and other lending institutions to adopt similar renewable energy promotion policies.

CO₂-Reduction through Energy Efficiency Exports and other Measures

Ex-Im Bank will adopt new measures to support exports that contribute to substantial increases in energy efficiency. Ex-Im Bank will expand the scope of energy efficiency exports deemed eligible for its Environmental Exports Program. The Bank will also actively market and promote its energy efficiency exports initiative, with a focus on end-use, downstream energy efficiency, such as residential, commercial, and non-fossil fuel industrial activities (including zero net energy building technology).

Ex-Im Bank will provide financing support for evolving technologies that reduce CO₂ emissions in the production of energy. It will develop measures to encourage foreign buyers to seek available, commercially viable technology to reduce the carbon footprint of fossil fuel projects. While maintaining the competitiveness of U.S. exporters, Ex-Im Bank will develop initiatives to finance aspects of project development that reduce or mitigate CO₂ emissions, such as effective carbon capture and sequestration technology. Through the Organisation for Economic Co-operation and Development (OECD), Ex-Im Bank will advocate for the availability of financing incentives for low to zero CO₂-emitting projects, a common methodology for evaluating and taking into account the social cost of carbon, and disincentives for high intensity fossil fuel projects. Ex-Im Bank will encourage export credit agencies, multilateral development banks and other lending institutions to adopt similar CO₂ policies, including encouraging transparency and the involvement of stakeholders. Ex-Im Bank will continue to evaluate all transactions for compliance with its environmental procedures and guidelines.

Transparency in the Tracking and Reporting of CO₂ Emissions

Ex-Im Bank will explore ways to further improve its transparency in the tracking and reporting of CO₂ emissions from projects it supports. It will continue to make available the estimated amounts of CO₂ emissions expected to be produced from pending Category A and B projects on its web site and encourage other financial institutions to do the same.² Ex-Im Bank will continue its dialogue with stakeholders to ensure that it employs the most appropriate methodology of estimating and tracking the CO₂ emissions from Category A and B projects it supports. Ex-Im Bank will report CO₂ emissions associated with Category A and B fossil fuel projects in its annual report by project categories, and advocate for the adoption of comparable transparency measures by other OECD-member export credit agencies. In addition, Ex-Im Bank will

² Ex-Im Bank defines Environmental Category A projects as large greenfield projects that have potentially significant environmental effects, or projects located in, or impacting, environmentally sensitive sites. It defines Category B projects as expansions, upgrades, and projects having limited environmental effects or impacts that are less than Category A projects.

advocate within the OECD and other multilateral fora for the full reporting of CO₂ emissions associated with appropriate energy and non-energy projects including manufacturing and agriculture.