

**FY 2025  
Congressional  
Budget  
Justification**



**Export-Import Bank of the United States**  
**Fiscal Year 2025 Congressional Budget Justification**

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## Budget Summary

The Export-Import Bank of the United States (EXIM) is the official export credit agency (ECA) of the United States. EXIM is an independent agency and a wholly owned U.S. government corporation. EXIM's mission is to support American jobs by facilitating the exports of U.S. goods and services in accordance with its Charter (12 U.S.C. § 635 et seq.), continuation of EXIM's functions in furtherance of its objectives and purposes is subject to periodic extensions granted by law. In December 2019, The Export-Import Bank Extension (P.L. 116-94, Div. I, Title IV) fully reauthorized EXIM through December 31, 2026. The mission of EXIM is to also support U.S. exports by providing financing through its loan, guarantee, and insurance programs in cases where the private sector is unable or unwilling to provide financing, or where such support is necessary to level the competitive playing field for U.S. exporters due to financing provided by foreign governments to their exporters. In pursuit of its mission of supporting U.S. exports, EXIM offers four major financial products: loan guarantees, direct loans, export credit insurance, and working capital guarantees. All EXIM obligations carry the full faith and credit of the U.S. government.

EXIM's Charter requires a reasonable assurance of repayment for its transactions, and EXIM closely monitors credit and other risks in its portfolio. Additional provisions contained in the amended Charter include a program to help U.S. exporters compete with the People's Republic of China (PRC) financing (the *China and Transformational Exports Program* (CTEP)), an increase to the small business threshold, as well as alternative procedures to follow during a quorum lapse.

EXIM requests \$130.1 million for administrative resources plus \$15.0 million in program budget to enable the agency to offer competitive financing while meeting appropriate reserve requirements. EXIM also requests a default rate cap exemption for nuclear and CTEP transactions that will allow EXIM to better counter predatory PRC financing in transformational export areas and higher risk markets.

### Budget Overview

EXIM requests \$130.1 million for administrative resources (see Exhibit 1) plus \$15.0 million in program budget to enable the agency to offer competitive financing while meeting appropriate reserve requirements. The FY 2025 budget request is \$5.1 million above the FY 2023 Enacted level.

The EXIM FY 2025 Budget Request will support an estimated \$11.3 billion in new authorizations across a wide variety of sectors with an estimated export value of \$17.0 billion supporting 56,000 U.S. jobs. With this Budget Request, EXIM expects to be self-financing with a forecasted \$183.8 million in negative subsidy receipts, which are remitted to the U.S. Treasury.

The Budget Request advances the Administration's goals of supporting the **Partnership for Global Infrastructure and Investment** (PGI) by strengthening the American economy through the *Make More in America* (MMIA) initiative, while also financing low- and middle-income countries making critical investments in their infrastructure. It supports the Administration's expanded priorities of strengthening and empowering the federal workforce, improving federal services and customer experiences, and advancing racial equity and support for underserved communities, while also prioritizing information technology (IT) modernization and cybersecurity. The Request also continues EXIM's commitment to fulfilling the 2019 Charter mandate to be fully competitive with PRC export financing, advancing American

leadership in transformational exports, addressing the climate crisis, supporting American jobs and small businesses, and further building EXIM's business development capacity.

## Overview of Programs

EXIM supports American exporters and jobs through four major programs (products): loan guarantees, direct loans, export credit insurance, and working capital and supply chain guarantees.

Medium-term loans and guarantees typically have repayment terms of one to seven years, and long-term loans and guarantees usually have repayment terms of more than seven years. Short-term financing consists of all transactions with terms of less than one year.

- **Loan Guarantee Program:** EXIM loan guarantees cover the repayment risks on a foreign buyer's debt obligations incurred to purchase U.S. exports or a domestic borrower's debt obligations to facilitate U.S. exports. EXIM guarantees to a commercial lender that, in the event of a payment default, EXIM will pay to the lender the outstanding principal and interest on the loan. EXIM's comprehensive guarantee generally cover commercial and political risks for up to 85 percent of the U.S. export contract value.
- **Direct Loan Program:** EXIM offers fixed-rate loans directly to foreign buyers of U.S. goods and services. EXIM extends to an American exporter's foreign customer a fixed-rate loan typically covering up to 85 percent of the U.S. export contract value. EXIM's direct loans generally carry fixed interest rate terms in accordance with the Arrangement on Guidelines for Officially Supported Export Credits negotiated among members of the Organization for Economic Cooperation and Development (OECD).
- **Export Credit Insurance Program:** EXIM's export credit insurance supports U.S. exporters selling goods overseas by protecting against the risk of foreign buyers or other foreign debtors defaulting for political or commercial reasons. Insurance policies may cover shipments to one or multiple buyers, insure comprehensive credit risks (both commercial and political) or only political risks, and offer either short-term or medium-term coverage. In addition to reducing non-payment risk, export credit insurance enables exporters to increase their access to capital and offer competitive payment terms to their international customers.
- **Working Capital and Supply Chain Guarantee Programs:** EXIM provides repayment guarantees to lenders on secured, short-term working capital loans made to qualified exporters. The working capital guarantee may be approved for a single loan or a revolving line of credit. EXIM also provides supply chain financing to assist U.S. exporters and their suppliers through accounts receivable financing. The EXIM guarantee reduces the risk associated with export-related accounts receivable purchased by lenders. This increases liquidity in the supply chain and provides suppliers, particularly small businesses, with greater access to capital. The facilities are generally for a term of one year.



# Administrative Budget Request

## Administrative Expenses

EXIM’s administrative budget request for FY 2025 is \$130.1 million (see Exhibit 1), which is \$5.1 million above the FY 2023 Enacted level. This Request will fund new and existing programs that address key Administrations priority areas including: 1) PGI; 2) MMIA; 3) the CTEP; 4) expansion of EXIM’s financial commitments in sub-Saharan Africa; 5) EXIM support for climate initiatives, and 6) raising awareness of EXIM programs available to small business. Additionally, this request will support necessary investments in cybersecurity and investments to further EXIM efforts in diversity, equity, inclusion, and accessibility (DEIA) to advance equality initiatives. Also due to increased costs, EXIM is requesting an increase to “official reception and representation expenses” from \$30,000 to \$50,000.

This request (see Exhibit 2 and 3) supports \$80.9 million in compensation and benefits, including 400 full-time equivalents (FTE); \$19.3 million for IT infrastructure, support, and services – including \$2.5 million for required cybersecurity and infrastructure enhancements, a \$0.5 million increase over the FY 2023 enacted level; \$16.5 million for program support expenses; \$10.4 million for fixed costs; \$2.0 million for travel and \$1.0 million for training.

The FY 2025 Budget Request supports funding to continue implementing important initiatives of the Administration and priorities mandated by the EXIM Charter. These include but are not limited to: PGI, Renewables, CTEP, DEIA and Global Business Development efforts.

Exhibit 1

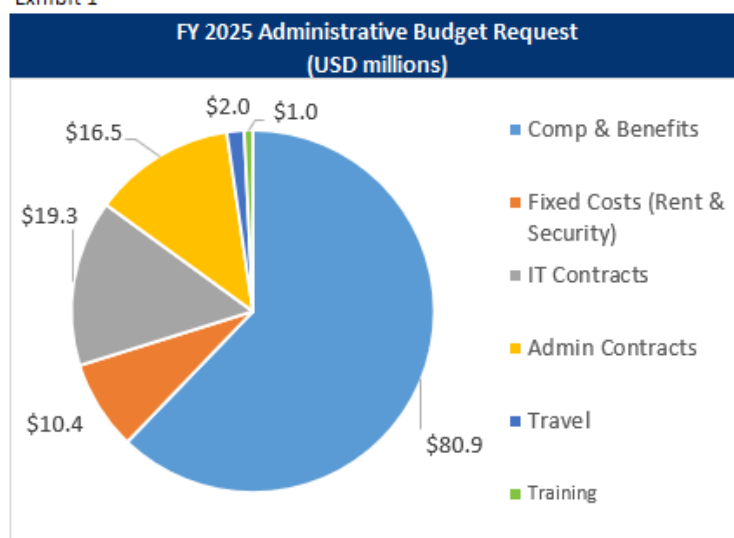


Exhibit 2

FY 2025 Administrative Budget Request (USD millions)		
	FY 2023 Actual	FY 2025 PB Level
Salaries	\$ 48,500,000.00	\$ 51,600,000.00
Benefits	\$ 27,600,000.00	\$ 29,300,000.00
Fixed Costs	\$ 10,100,000.00	\$ 10,400,000.00
Administrative Contracts	\$ 17,000,000.00	\$ 16,500,000.00
IT Contracts	\$ 18,800,000.00	\$ 19,300,000.00
Travel	\$ 2,000,000.00	\$ 2,000,000.00
Training	\$ 1,000,000.00	\$ 1,000,000.00
<b>Total</b>	<b>\$ 125,000,000.00</b>	<b>\$ 130,100,000.00</b>

Note: The expense categories provided above are for informational purposes only and should not be considered individual programs, projects or activities.

Exhibit 3

Two-Year FTE Counts	
FY 2023 Actual	FY 2025 PB Level
365	400

## EXIM's Self-Financing Projection

EXIM collects exposure fees and interest income from its credit program users. From these fees, EXIM first sets aside funds to cover the costs of its credit programs, consistent with prudent reserve requirements of the Federal Credit Reform Act (FCRA). The remaining fees are classified as offsetting collections, which are used to cover the level of operations authorized in the agency's annual appropriations language. After paying these operating expenses, the remaining offsetting collections are classified as negative subsidy, and EXIM is required to send the negative subsidy generated to the U.S. Department of the Treasury at the end of each fiscal year. Since 1992, EXIM has sent a net of \$8.8 billion to the Treasury.

Exhibit 4 shows that in FY 2024 and FY 2025 EXIM expects to be fully self-financing. In FY 2025, EXIM expects to collect \$328.9 million in fees in excess of expected program losses. Of this amount, \$145.1 million would be classified as offsetting collections to cover operating expenses and the remainder would be classified as negative subsidy.

In FY 2025, EXIM expects to remit an estimated \$183.8 million in excess collections to the Treasury. Exhibit 4 also provides an updated forecast for FY 2024 offsetting collections.

Exhibit 4

EXIM Bank Financial Activity (USD millions)					
	FY 2023		FY 2024		FY 2025
	Actual		CR Level		PB Level
Revenue					
Offsetting Collections	\$	(45.0)	\$	(140.0)	\$ (145.1)
Negative Subsidy		-		(75.0)	(183.8)
Total Revenue	\$	(45.0)	\$	(215.0)	\$ (328.9)
Administrative Expenses	\$	125.0	\$	125.0	\$ 130.1
Program Budget Expenses		15.0		15.0	15.0
Total Expenses	\$	140.0	\$	140.0	\$ 145.1
Summary					
Total Revenue	\$	(45.0)	\$	(215.0)	\$ (328.9)
Total Expenses		140.0		140.0	145.1
Net Appropriation	\$	95.0	\$	(75.0)	\$ (183.8)

\*The EXIM Inspector General provides its request to OMB separately

## Program Budget Request

This budget requests \$15.0 million for program budget resources, which will primarily support EXIM's efforts to underwrite transactions with a risk profile that, under FCRA, have reserve requirements above what EXIM can competitively charge its users. In keeping with FCRA requirements, EXIM transactions must be subsidy neutral or generate negative subsidy unless the cost can be offset by the program budget. That is, the aggregate fees and interest collected from each transaction must exceed all estimated transaction-related expenses, including prudent reserves. Program budget resources allow EXIM to provide globally competitive rates, including those made available by the PRC.

With \$15.0 million in program budget resources, EXIM would be able to authorize transactions where the reserve requirements are expected to exceed their aggregate fees and interest collected by a combined total of \$15.0 million. Program budget resources will help both offset subsidized PRC lending practices that provide unfair advantages over American exporters as well as support America's transformational export sectors, with emphasis on clean-energy and renewable exports. Exhibit 5 provides a breakdown of how EXIM programs support PGI's four

priority sectors (climate and energy security, health and health security, gender, digital connectivity), as well as transportation. Additionally, program budget will be available to ensure the agency is able to

Exhibit 5

	FY 2025 PGI Funding \$ in millions					
	Climate and Energy Security	Health and Health Security	Gender	Digital	Transportation	Total
Insurance and Export Credit	\$500	\$0	\$0	\$500	\$0	\$1,000
Private Sector Financing Leveraged	\$75	\$0	\$0	\$75	\$0	\$150

continue offering accessible and cost-effective financing for its short- and medium-term programs, which are priced to break even. Program budget can offset losses in these programs, mitigating the need to raise fees on users, which are predominantly small- and medium-size businesses.

Without these resources, American exporters are at greater risk of losing business opportunities to competitors supported by the PRC or other foreign competitors seeking to gain market share in transformational export areas. Without the ability to level the playing field, American workers and their companies could be put at a long-term disadvantage because of missed opportunities to establish critical U.S. technologies and standards.

## Default Rate Request

EXIM requests an exemption of certain transactions from its default rate calculation. In order for the agency to effectively and reliably provide financing in support of nuclear transactions and under the *China and Transformational Exports Program*, the agency needs enhanced flexibility around its risk appetite. Borrowers are seeking to obtain billions of dollars in financing to acquire U.S. goods and services related to the development of nuclear power projects. The extremely large dollar amounts raise significant concern that one default in the nuclear sector would be sufficient to singlehandedly cause the agency to exceed its default rate cap. With an exemption from the default rate, the Board of Directors can have confidence that one single default in this sector would not trigger the extreme consequences associated with exceeding the default rate cap. At the same time, EXIM seeks an exemption from CTEP transactions from the default rate cap so that the agency can more aggressively move up the risk curve and counter PRC financing in transformational export areas and higher risk markets. In particular, the PRC financing support for Chinese exports in renewable energy, wireless communication, energy storage, critical minerals, and biotechnology put U.S. exporters at a competitive disadvantage. To fulfill its mission of leveling the playing field and aggressively counter the PRC, EXIM needs flexibility in its risk appetite, which begins by exempting such transactions from its default rate.

## Authorization Forecast

### Authorizations and Market Conditions

This Budget Request is expected to support \$11.3 billion in new authorizations in FY 2025 with an estimated export value of \$17.0 billion in FY 2025. Exhibit 6 provides a breakdown of these projected 2025 authorizations by tenor and program, showing \$6.7 billion in long-term authorizations, \$0.4 billion in medium-term authorizations, and \$4.2 billion in short-term authorizations.

EXIM derives its authorization forecasts from its pipeline of transactions and assess the likelihood that each will be authorized. The pipeline is fluid and subject to change as EXIM receives new applications and previously anticipated applications may not materialize due to financial or commercial considerations.

The FY 2025 forecast assumes continued growth in EXIM's transportation program and increased climate-related transactions related to nuclear plant refurbishments and hydro and solar power generation projects as well as increases in the single-buyer insurance, working capital, and supply chain programs.

EXIM expects to support approximately 56,000 U.S. jobs in FY 2025. This estimate is based on the current forecast of \$11.3 billion in FY 2025 authorizations and using the methodology for estimating jobs supported developed by the Department of Commerce's International Trade Administration. To calculate the jobs figure, EXIM utilizes data from the Bureau of Economic Analysis with employment data to estimate the number of jobs supported by the dollar amount of export.

EXIM is continuing to fully operationalize the MMIA initiative approved by the EXIM Board in April 2022. The initiative is designed to make EXIM's existing medium- and long-term loans and loan guarantees available for export-oriented domestic manufacturing and infrastructure projects as part of the Administration's whole-of-government effort to strengthen the resiliency and security of America's supply chains. The initiative includes special flexibilities for applications in environmentally beneficial, small business and transformational export transactions (including semiconductors, biotech and biomedical products, renewable energy, and energy storage). The EXIM pipeline currently includes more than \$100.0 million of MMIA transactions.

Exhibit 6

Authorization Forecast (USD millions)						
	FY 2023		FY 2024		FY 2025	
	Actual		Estimate		PB Level	
Long-Term						
Project Finance	\$	569	\$	1,734	\$	2,230
Global Infrastructure		1,608		2,091		-
Transportation		2,735		2,510		4,450
Subtotal	\$	4,912	\$	6,335	\$	6,680
Medium-Term						
Guarantees	\$	184	\$	275	\$	295
Insurance		79		75		105
Subtotal	\$	263	\$	350	\$	400
Short-Term						
Multi-Buyer Insurance	\$	1,905	\$	2,000	\$	2,000
Single-Buyer Insurance		502		250		450
Working Capital & Supply		1,188		1,568		1,724
Subtotal	\$	3,595	\$	3,818	\$	4,174
Total	\$	8,770	\$	10,503	\$	11,254

## Exposure

EXIM's total aggregate loan, guarantee, and insurance exposure may not exceed \$135.0 billion at any one time. EXIM defines exposure as the outstanding and undisbursed principal balance of authorized loans, guarantees, and insurance. It also includes the unrecovered balance of payments made on claims submitted to EXIM in its capacity as guarantor or insurer under its export guarantee and insurance programs. Exposure does not include accrued interest or transactions pending final authorization. Ultimately, EXIM's exposure is primarily derived from two sources: disbursements on new authorizations and repayments of approved authorizations.

EXIM develops exposure forecasts by estimating the approval and timing of disbursements of new authorizations combined with the reduction of exposure due to the expected repayments, prepayments, or cancellations of transactions. The difference between the two yields the change in exposure during a fiscal year. Exhibit 7 provides the summary of EXIM exposure through FY 2025.

Exhibit 7

Fiscal Year	Exposure Analysis (USD billions)							
	2018	2019	2020	2021	2022	2023	2024 est	2025 est
Exposure (Beginning of FY)	72.5	60.5	54.7	46.9	41.3	35.4	34.1	37.1
Repayments/Prepayments/Cancellations	(15.3)	(14.0)	(13.2)	(11.4)	(11.1)	(10.1)	(7.5)	(4.9)
New Authorizations	3.3	8.2	5.4	5.8	5.2	8.8	10.5	11.3
<b>Exposure (End of FY)</b>	<b>60.5</b>	<b>54.7</b>	<b>46.9</b>	<b>41.3</b>	<b>35.4</b>	<b>34.1</b>	<b>37.1</b>	<b>43.5</b>

# Proposed Appropriations Language for the President's FY 2025 Budget

## Program Account

The Export-Import Bank of the United States is authorized to make such expenditures within the limits of funds and borrowing authority available to such corporation, and in accordance with law, and to make such contracts and commitments without regard to fiscal year limitations, as provided by section 9104 of title 31, United States Code, as may be necessary in carrying out the program for the current fiscal year for such corporation: *Provided*, That none of the funds available during the current fiscal year may be used to make expenditures, contracts, or commitments for the export of nuclear equipment, fuel, or technology to any country, other than a nuclear-weapon state as defined in Article IX of the Treaty on the Non-Proliferation of Nuclear Weapons eligible to receive economic or military assistance under this Act, that has detonated a nuclear explosive after the date of enactment of this Act.

## Administrative Expenses

For administrative expenses to carry out the direct and guaranteed loan and insurance programs, including hire of passenger motor vehicles and services as authorized by section 3109 of title 5, United States Code, and not to exceed [\$30,000]\$50,000 for official reception and representation expenses for members of the Board of Directors, not to exceed [\$125,000,000]\$130,100,000, of which up to [\$18,750,000]\$19,515,000, may remain available until September 30, [2025]2026: *Provided*, That the Export-Import Bank (the Bank) may accept, and use, payment or services provided by transaction participants for legal, financial, or technical services in connection with any transaction for which an application for a loan, guarantee or insurance commitment has been made: [Provided further, That the Bank shall charge fees for necessary expenses (including special services performed on a contract or fee basis, but not including other personal services) in connection with the collection of moneys owed the Bank, repossession or sale of pledged collateral or other assets acquired by the Bank in satisfaction of moneys owed the Bank, or the investigation or appraisal of any property, or the evaluation of the legal, financial, or technical aspects of any transaction for which an application for a loan, guarantee or insurance commitment has been made, or systems infrastructure [directly supporting transactions]: *Provided further*, That in addition to other funds appropriated for administrative expenses, such fees shall be credited to this account for such purposes, to remain available until expended.] *Provided further*, That notwithstanding chapter 51, subsection III of chapter 53, and section 5373 of title 5, United States Code, the Board of Directors of the Export-Import Bank of the United States may set an employee's rate of basic pay up to the rate for level III of the Executive Schedule, and this authority may be applied to no more than 35 employees at any point in time and shall remain in effect until September 30, [2024]2025: *Provided further*, That the Bank shall charge fees for necessary expenses (including special services performed on a contract or fee basis[, but not including other personal services]) in connection with the collection of moneys owed the Bank, repossession or sale of pledged collateral or other assets acquired by the Bank in satisfaction of moneys owed the Bank, or the investigation or appraisal of any property, or the evaluation of the legal, financial, or technical aspects of any transaction for which an application for a loan, guarantee or insurance commitment has been made, or systems infrastructure *improvements*: directly supporting transactions: That in addition to other funds appropriated for administrative expenses, such fees shall be credited to this account for such purposes, to remain available until expended: *Provided Further*, That of the amounts credited to this account pursuant

to the preceding proviso, up to \$1,400,000 may be used for administrative expenses necessary to carry out the activities described in the third proviso under this heading.

### Program Budget Appropriation

For the cost of direct loans, loan guarantees, insurance, and tied-aid grants as authorized by section 10 of the Export-Import Bank Act of 1945, as amended, not to exceed [\$15,000,000]\$15,000,000, to remain available until September 30, [2026] 2027: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further*, That such funds shall remain available until September 30, [2039]2040, for the disbursement of direct loans, loan guarantees, insurance and tied-aid grants obligated in fiscal years [2024]2025 through [2027]2028.

### Receipts Collected

Receipts collected pursuant to the Export-Import Bank Act of 1945 (Public Law 79–173) and the Federal Credit Reform Act of 1990, in an amount not to exceed the amount appropriated herein, shall be credited as offsetting collections to this account: *Provided*, That the sums herein appropriated from the General Fund shall be reduced on a dollar-for-dollar basis by such offsetting collections so as to result in a final fiscal year appropriation from the General Fund estimated at \$0.

### Cancellation of Funds

*Of the unobligated balances available under the heading “Export and Investment Assistance, Export-Import Bank of the United States, Subsidy Appropriation” for tied-aid grants from prior Acts making appropriations for the Department of State foreign operations, and related programs, \$55,130,421 are hereby permanently cancelled.*

*Note. — A full-year 2024 appropriation for this account was not enacted at the time the Budget was prepared; therefore, the Budget assumes this account is operating under the Continuing Appropriations Act, 2024 and Other Extensions Act (Division A of Public Law 118-15, as amended). The amounts included for 2024 reflect the annualized level provided by the continuing resolution.*



## Proposed Legislative Language Change

### Exemption of Nuclear and CTEP From EXIM Default Rate Cap

*(a) Section 8(g) of the Export-Import Bank Act of 1945 (12 U.S.C. 635g(g)) is amended by adding at the end the following:*

*“(7) EXCLUSION OF TRANSACTIONS RELATING TO NUCLEAR EXPORTS AND THE PROGRAM ON CHINA AND TRANSFORMATIONAL EXPORTS.—For the purposes of this subsection, the Bank shall exclude financing provided for transactions related to civil nuclear facilities, material, and technologies, and related goods and services and for transactions under the Program on China and Transformational Exports pursuant to section 2(l).”.*

### Program Budget Legislative Change for Ukraine Related Transactions

*Funds appropriated or otherwise made available in this Act or prior Acts making appropriations for the Department of State, foreign operations, and related programs under the heading “Export-Import Bank of the United States--Program Account” shall be available for the cost of direct loans, loan guarantees, insurance, and tied aid grants for assistance for Ukraine and countries impacted by the situation in Ukraine notwithstanding Section 10 of the Export-Import Bank Act of 1945, as amended: Provided, That the cost of such direct loans and loan guarantees, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974.*

## Appendix I: Climate Change Submission

As part of existing operations, EXIM has made investments to identify climate-related risks, or impacts, from the projects it finances. EXIM assesses the potential climate-related impacts of its projects, particularly their greenhouse gas (GHG) emissions, as part of its environmental and social due diligence process. The results for all projects, including those still being underwritten, are disclosed on the Exim.gov website. Moreover, EXIM continuously monitors the operations of the projects it has financed through their final payoff to ensure that emissions controls are in place and performance is meeting project commitments. Lastly, to support mitigation of negative climate impacts, EXIM dedicates considerable resources to attracting and processing applications for climate-friendly projects and activities, including those related to energy generation by clean or renewable technologies, recycling, and energy storage.

EXIM will take additional steps to address GHG emissions by working with the interagency to identify U.S. exporters of products and services designed to measure, monitor, and remove GHG emissions to increase authorizations, and will also participate in roundtables and trade missions focused on these exporters. EXIM can provide more flexible financing terms for Environmentally Beneficial exports, which includes projects and end-use activities that reduce GHGs, including methane leak and emissions abatement activities. EXIM is also eager to maximize the impact of U.S. international climate assistance through continuous efforts to mobilize the private sector through its guaranteed loan program.

EXIM has also proposed innovative climate initiatives such as advocating for targeted expansion of the OECD Renewable Energy, Climate Change Mitigation and Adaptation and Water Projects Sector Understanding to increase support for climate positive projects globally. EXIM also assesses whether its financing support preserves critical natural carbon sinks through its Environmental and Social Due Diligence Procedures and Guidelines (ESPG), which are designed to minimize impacts to the environment, including forested areas and other vegetated habitat that represent a carbon sink.

EXIM also expects to support good paying jobs by facilitating support for clean energy and climate infrastructure, including nuclear refurbishment, solid waste conversion and solar and hydropower projects. As mentioned above, EXIM currently has more than \$1.6 billion in clean energy and climate infrastructure projects in the FY 2024 pipeline, although the pipeline is fluid, and not all these transactions will be authorized. In some cases, borrowers will find alternate sources of financing (usually from private sector sources) while others will not have a reasonable assurance of repayment.

Starting July 2023, EXIM has begun offering longer repayment terms and additional flexibilities for climate project transactions. The new flexible financing terms and conditions are a result of a modernized agreement with OECD Arrangement Participants. The modernization agreement will allow EXIM to provide longer repayment terms for most transactions, offer lower risk premium rates for certain borrowers using longer repayment terms, and create further incentives for a wider range of climate friendly and green transactions.

Under the updated OECD Arrangement, EXIM will be able to offer maximum repayment terms up to 22 years, higher than the previous maximum of 18 years, to an expanded set of technologies offering the greatest climate change mitigation benefit. EXIM will also be able to offer maximum repayment terms

up to 22 years for climate change adaptation projects. Many nuclear energy projects will also be eligible for up to 22-year maximum repayment terms. While necessary for project viability, loans and guarantees of this duration are not always available from private lenders in the commercial market, meaning that EXIM can help foster next-generation low-carbon technologies with these new flexibilities.

The modernized OECD Arrangement also expands the scope of green or climate friendly projects eligible for longer repayment terms under the Climate Change Sector Understanding (CCSU). The updated climate change mitigation project classes now include projects related to energy storage, grid efficiency, battery production and recycling, clean hydrogen and ammonia production and storage, low emission manufacturing, zero and low emission transport, and clean energy minerals and ores.

## **Appendix II: Report on Outstanding Government Accountability Office and Inspector General Recommendations**

The Good Accounting Obligation in Government Act ("GAO-IG Act" or "Act"), P.L. 115-414, requires each federal agency, in its annual budget justification, to include a report on: (1) each public recommendation of the Government Accountability Office (GAO) that is designated by the GAO as "open" or "closed, unimplemented" for a period of not less than one year preceding the date on which the annual budget justification is submitted; (2) each public recommendation for corrective action from the agency's Office of the Inspector General (OIG) for which no final action has been taken and which was published not less than one year before the date on which the annual budget justification is submitted.

EXIM takes all OIG and GAO reports and recommendations seriously and has an excellent record of implementing and closing out recommendations. EXIM has no OIG recommendations with which it disagreed and is working on implementing all open recommendations.

EXIM currently has 40 open OIG recommendations that were issued prior to September 2023. Of those, the 13 noted below are "open" and were published not less than one year before the date on which the annual budget justification is being submitted.

EXIM has no "open" or "closed, unimplemented" GAO recommendations at this time.

The following chart provides the implementation status, as required by the Act.

## OIG Open Recommendations Issued Not Less Than One Year prior to September 2023: Implementation Status

Report	Issuance Date	Recommendation	Timeline for Implementation
Evaluation of Risk Management Procedures and CRO Responsibilities OIG-EV-17-01	12/02/16	Rec. 1: To clarify the authority and responsibility of the CRO with respect to the current allocation of risk management responsibilities across the agency, EXIM Bank should formally document the risk management roles, responsibilities and authority of its line of defense functions; clarify responsibilities and interaction between different senior management committees and divisions; identify the individuals and functions to be responsible for each; and address any gaps in those responsibilities.	In progress, estimated to be completed by 3/31/24
Report on EXIM's Credit Guarantee Facility Program OIG-EV-17-03	03/30/17	Rec. 5: Review and update the reach-back policy for the CGF program to be consistent with actual practice and reduce the need for waivers. In reviewing and updating the reach-back policy, the Bank should analyze the case-by-case determination of a reach-back relative to the average policy date (i.e., operative date); consider establishing limits on the utilization of the facility for reach-back transactions; set requirements for communicating analysis of reach-back issues to decision makers including the Board; and establish procedures for consideration of waivers to the policy. This would include documenting the supporting evidence in the credit file.	In progress, estimated to be completed by 3/31/24
FY 2021 EXIM Data Act OIG-AR-22-01	11/08/21	Rec. 1: Determine the root cause of the errors in EXIM-provided data identified during the testing of the second quarter FY 2021 Files D1 and D2, and take necessary corrective action to: (a) correct the errors for records shown in USASpending.gov; (b) identify the risk of reporting incorrect data for each data element containing the error; and (c) update the policies and procedures for recording data in, Comprizon FPDS, and FABS to address the risks and include adequate verification and validation review processes performed by the data owner and a supervisor or other independent party.	Expected completion: 3/31/24

<b>Report</b>	<b>Issuance Date</b>	<b>Recommendation</b>	<b>Timeline for Implementation</b>
FY 2021 EXIM Data Act OIG-AR-22-01	11/08/21	Rec. 2: Continue to improve the design of its review of the procurement award data in FPDS and financial assistance award data submissions to FABS by identifying the root cause for the exceptions in those data elements for which EXIM is responsible, and by developing more effective review procedures for those data elements, as well as the data elements that the SAO and DATA Act Working Group identify as having a high risk of not being accurate, complete, or reported timely.	Expected completion: 3/31/24
FY 2021 EXIM Data Act OIG-AR-22-01	11/08/21	Rec. 3: Review EXIM's policies and procedures for submitting contract award data in FPDS, including procedures for reviewing and confirming the accuracy of the CAR, to ensure proper design and compliance with FAR guidelines for timeliness. Update the policies and procedures based on this review, as necessary, to ensure EXIM meets FAR timeliness guidelines.	Expected completion: 3/31/24
FY 2021 EXIM Data Act OIG-AR-22-01	11/08/21	Rec. 4: Review EXIM's policies and procedures that address timelines for submitting complete and accurate FABS files containing financial assistance award data, to ensure proper design and compliance with DAIMS guidance. Update the policies and procedures based on this review, as necessary, to ensure EXIM meets DAIMs timeliness guidelines.	Expected completion: 3/31/24
FY 2021 EXIM Data Act OIG-AR-22-01	11/08/21	Rec. 5: Complete a data inventory for File D1 that defines each data element based on government-wide financial data standards, and that EXIM seeks clarification from OMB and Treasury, as necessary, in order to ensure appropriate interpretation of the DATA Act Standards.	Expected completion: 3/31/24
FY 2021 EXIM Data Act OIG-AR-22-01	11/08/21	Rec. 6: Establish policies and procedures to help ensure that all data reported in FABS and included in EXIM's certified File D2 are reported as intended by the Data Act Standards, and that EXIM seek clarification from OMB and Treasury, if necessary, in order to ensure appropriate interpretation of the Data Act Standards.	Expected completion: 3/31/24
FY 2021 EXIM Data Act OIG-AR-22-01	11/08/21	Rec. 7: Complete a data inventory for each of Files A through D1 to govern EXIM's DATA Act activities and help ensure compliance with government-wide financial data standards.	Expected completion: 3/31/24
FY 2021 EXIM Data Act OIG-AR-22-01	11/08/21	Rec. 8: Develop and document a review process of the data inventories for Files A through D2 that EXIM will perform at regular intervals and after each DAIMS update.	Expected completion: 3/31/24

Report	Issuance Date	Recommendation	Timeline for Implementation
FY 2021 EXIM Data Act OIG-AR-22-01	11/08/21	<p>Rec. 9: Develop, test, and implement a DQP that covers significant milestones and major decisions pertaining to:</p> <ul style="list-style-type: none"> <li>• Organizational structure and key processes providing internal control activities for spending reporting;</li> <li>• Management’s responsibility to supply quality data to meet the reporting objectives for the DATA Act in accordance with OMB Circular No. A-123;</li> <li>• EXIM’s testing plan and identification of high-risk reported data, including:</li> </ul> <p>(1) specific data the agency determines to be high-risk that are explicitly referenced by the DATA Act; and (2) confirmation that these data are linked through the inclusion of the award identifier in the agency’s financial system, and reported with plain English award descriptions; and</p> <ul style="list-style-type: none"> <li>• Actions taken to manage identified risks.</li> </ul>	Expected completion: 3/31/24
FY 2021 EXIM Data Act OIG-AR-22-01	11/08/21	Rec. 10: Continue to implement its corrective action plan to ensure that object class codes are accurately and completely reported in all financial and award data submissions (Files B and C).	Expected completion: 3/31/24
Audit of EXIM’s Approach for Determining Additionality OIG-AR-22-07	9/30/22	Rec. 1a: EXIM will propose to the Board an update of the additionality guidelines and checklist to clearly state that documents or contemporaneous memorialization of discussions (including source(s), timing, and context) that establish additionality are included in loan documentation files. The proposal will also clarify in the guidelines and checklist that those items should be placed in loan files as soon as possible after receipt or completion of the contemporaneous memorialization of additionality discussions. These updates will be made in conjunction with the third-party consultant review of the additionality determination process.	Expected completion: 3/31/24