



June 29, 2020

Kimberly Reed
Chairman
Export-Import Bank of the United States
811 Vermont Avenue, NW
Washington, D.C. 20571

Sent via email: chairman@exim.gov

Cc: Mike Crapo, Chairman, Senate Banking Committee
Sherrod Brown, Ranking Member, Senate Banking Committee
Maxine Waters, Chairwoman, House Financial Services Committee
Patrick McHenry, Ranking Member, House Financial Services Committee

Dear Ms. Reed:

As policy makers decide on the shape and size of stimulus packages, determining economic trajectories for decades to come, climate considerations must be central to their calculations. The worldwide health crisis is affecting every economy and society. Millions of people are losing their jobs; billions are being pushed deeper into poverty. In response, governments are obliged to use every tool at their disposal to support companies and their workers. As the private sector is unable to take on more risk, companies are looking towards their governments, especially export credit agencies (ECAs), to fill the gap.

Responses to the COVID-19 crisis should aim for a Paris-aligned, green recovery that reduces inequality, protects citizens' health, and helps meet climate goals. Bailouts for the fossil fuel sector are the wrong bet. The industry was already in permanent decline prior to the current crisis. During eight of the last nine years the sector under-performed global stock markets, and last year the sector placed dead last in the Standard & Poor's 500 index. Moreover, the contention that fossil fuel development is a driver of job creation is simply false in a sector that is rapidly automating.

Unfortunately, emergency packages of ECAs have no firm commitments in place to advance a green transition. ECAs are expanding the possibilities for fossil fuel and other non-sustainable projects to receive support and thereby delaying the decarbonization of their portfolios. We are deeply concerned that decisions now being made will not only keep the fossil fuel sector afloat but lock-in fossil fuel production and use for decades. Governments should support a clean energy recovery instead. To ensure this happening, firm decarbonization targets for ECA-support have become a matter of urgency.

Increasing support for fossil fuels means contributing to human rights violations, climate chaos, and debt, while not delivering on economic recovery and long term jobs. While all countries in the global North are legally committed to align their domestic policies with the Paris Agreement,



they routinely fail to apply these commitments to their export policies. This failure drives the ongoing exploitation, destruction and pollution of the global South for the profit of domestic fossil(-related) business. It also undermines Just Transitions in the global South, which already bear the brunt of climate impacts, driven by the North's massive footprint.

The emergency measures of ECAs come after the [World Bank Group](#) and the [G20](#) issued statements calling for countries to take action on debt relief for the poorest countries. ECAs are responsible for a significant portion of debts of poor countries. By taking on more and higher risks, ECAs are risking increasing the debt of developing countries even further.

To address climate change and the issue of increasing debt, ECA stimulus packages should:

- be transparent;
- be agreed upon and have oversight by legislative and expert advisory bodies;
- uphold standards on social and environmental due diligence;
- exclude support for fossil fuel related projects and companies;
- not increase the debt burden of developing countries;
- contribute to the implementation of the Sustainable Development Goals; and
- support and align with the Paris Agreement.

We strongly urge ECA emergency packages be made subject to green transition conditionalities, consistent with the standards above. We appreciate your review of our concerns and look forward to your response.

Sincerely,

Abibiman Foundation (Ghana)
AbibiNsroma Foundation (Ghana)
Above Ground (Canada)
Alliance for Empowering Rural Communities (Ghana)
Bank Information Center (United States)
Both ENDS (Netherlands)
Bretton Woods Project (UK)
Building Change (Netherlands)
Buliisa Initiative for Rural Development Organisation (Uganda)
Center for Earth Ethics (United States)
Climate Action Network International
Cordaid (Netherlands)
E3G (United Kingdom)
Environment Governance Institute (Uganda)
Environmental Rights Action/ Friends of the Earth Nigeria



Friends of the Earth Japan
Friends of the Earth Scotland
Friends of the Earth United States
Friends with Environment in Development (Uganda)
Food & Water Action Europe
Fundación Ambiente y Recursos Naturales (Argentina)
Global Witness (UK)
Jamaa Resource Initiatives (Kenya)
Justicia Ambiental/Friends of the Earth Mozambique
Les Amis de la Terre (France)
Les Amis de la Terre-Togo
Milieudefensie (Netherlands)
Mouvement Ecologique (Luxembourg)
Observatori del Deute en la Globalització (Spain)
Oil Change International (United States)
Re:Common (Italy)
Sobrevivencia, Amigos de la Tierra Paraguay
Solutions for Our Climate (Korea)
Tear (Netherlands)
The Sunrise Project (Australia)
Urgewald (Germany)