

BRIEFING: EXIM project pipeline contains emissions equivalent to entire annual US fossil fuel emissions

To interested parties:

This briefing was prepared by Adam McGibbon of Oil Change International and Kate DeAngelis of Friends of the Earth U.S. For more information contact adam.mcgibbon@oilchange.org or kdeangelis@foe.org.

- The US Export-Import Bank (US EXIM) is considering financing for international fossil fuel projects with lifetime emissions equivalent to more than **5,058,556,750** tonnes CO₂e. This is roughly 80 percent of the annual fossil fuel CO₂e output of the entire United States - **6,343,000,000** tonnes. Alternatively, it's equivalent to the annual CO₂e of **1,300 coal-fired power plants**.
- Analysis of publicly-available data is almost certainly an underestimate of fossil fuel projects that EXIM is considering supporting as we do not have emissions data for all projects and additional projects may be under consideration.
- With last-ditch negotiations at the OECD on phasing out oil and gas export finance in September, the Biden Administration must urgently lead countries to an agreement to end oil and gas support for fossil fuels before the US election and restrain EXIM by imposing a new policy upon it. Such action would cement Biden's climate legacy by phasing out tens of billions of dollars to fossil fuel projects all over the world.

New analysis shows that the Export-Import Bank of the United States (EXIM) is considering a raft of new fossil fuel projects in defiance of the Biden Administration's directives, even as an election looms that could be decided by young, climate-minded voters. Taken together, these fossil fuel projects could emit or enable greenhouse gas emissions equivalent to more than **5,058,556,750** tonnes CO₂. This is roughly 80 percent of the annual fossil fuel emissions produced by the entire United States - **6,343,000,000** tonnes¹. Alternatively, it's equivalent to the annual CO₂e of **1,300 coal-fired power plants**.²

This is a bare-minimum figure; the actual climate impact is almost certainly much greater. First, EXIM is not required to publish information on all of the projects for which it is considering support (e.g., Category B projects). In addition, for some of the projects EXIM has not yet provided emissions information (i.e., gas projects in Guyana and from Pemex, a petrochemical project in Egypt) or likely grossly underestimates as EXIM fails to account for methane emissions and lifecycle emissions.³ EXIM only provides CO₂ estimates, not CO₂ equivalent

¹ US Environmental Protection Agency (EPA), Inventory of U.S. Greenhouse Gas Emissions and Sinks, <https://www.epa.gov/ghgemissions/inventory-us-greenhouse-gas-emissions-and-sinks> (last visited 7 Aug. 2024).

² EPA, Greenhouse Gases Equivalencies Calculator - Calculations and References, <https://www.epa.gov/energy/greenhouse-gases-equivalencies-calculator-calculations-and-references#coalplant> (last visited 7 Aug. 2024).

³ By lifecycle, this brief means Scope 1 (i.e., direct GHG emissions from the project), Scope 2 (i.e., indirect GHG emissions associated with the purchase of electricity, etc.) and Scope 3 (indirect GHG emissions that impacts from its value chain) emissions. EPA, "Scopes 1, 2 and 3 Emissions Inventorying and Guidance," <https://www.epa.gov/climateleadership/scopes-1-2-and-3-emissions-inventorying-and-guidance>

estimates, meaning that methane and other greenhouse gas emissions are not accounted for. This means the projects listed here are likely just the tip of the iceberg, and that even more fossil fuel projects than the number listed in this analysis may be being considered, despite the Administration’s pledge.

Moreover, the analysis reveals the incomplete and, in some cases, total absence of emissions information that EXIM purports to consider when reviewing climate impacts of its financing. For example, EXIM appears to only require an analysis of expected direct (not lifecycle) emissions estimates for some projects and only on an annual (not project lifetime) basis. For some transactions (e.g., Freeport LNG project in Texas and LNG exports by the commodity trader Trafigura) analysis of emissions estimates are not required at all. This undermines EXIM Chair Reta Jo Lewis’ claim before Congress that the agency is adequately considering the climate impacts of its financing, and that “our team does exceptional due diligence in all manners of these particular projects.”⁴

Given the critical role of EXIM’s finance, many of these projects are only viable because of the export finance support provided by EXIM. In order to mitigate the risk EXIM poses to the Administration and its pledges, the Administration must:

- 1) Take direct control of the negotiations happening at the OECD on agreeing common rules to phase out export finance for oil and gas before the election. A September informal OECD meeting is the final opportunity for the US to join with the EU, UK and Canada to agree an ambitious phase-out proposal before the final moment to strike an agreement at the last negotiation of 2024 in mid-November in Paris.
- 2) Use the powers the Administration has available to stop EXIM from financing these projects.
- 3) Issue new guidance to end EXIM’s fossil fuel financing.

PROJECT ANALYSIS:

Project	Source for EXIM considering project	Production / emissions profile	Additional information
Mozambique LNG Project	EXIM sources have told the press they are reviewing whether to fund this troubled	Emissions: 3.3 - 4.5 billion tonnes of CO2 equivalent over the project’s lifetime.	Highly controversial project, which is the target of an Islamic insurgency in the Cabo Delgado region of Mozambique. As the insurgency worsened, the project was put on hold in 2021 , but EXIM is now re-considering finance for the project.

⁴ YouTube, “Senator Merkley Questioning EXIM Chair on Climate,” (May 16, 2024), <https://www.youtube.com/watch?v=RGOUQ8PWj9U>.

	project, having initially agreed to funding it in 2020.		<p>3.3 - 4.5 billion tonnes of CO2 equivalent, estimate calculated by Friends of the Earth. Equivalent to more than the combined annual greenhouse gas emissions of all 27 EU countries.</p> <p>US EXIM is providing the largest share of finance for this project, and so EXIM is critical in this project going ahead.</p>
Coral North Floating LNG Project	Posted on EXIM website 6/25/2024	<p>Emissions: 195,170,000 tonnes of CO2 over project lifetime, based on identical project Coral South's emissions.</p> <p>Coral South has the capacity to liquefy up to 3.4 million tonnes of gas each year. Therefore, the emissions enabled by this project are estimated to be: 4.4 million tonnes per annum of LNG x 30 years x 75% (assumed capacity factor) x 48.028 unit conversion (million tonnes of LNG to billion cubic feet of gas) x 53.12 kg CO2-e per thousand cubic feet natural gas (US EIA emissions factor) x 0.001 (kg CO2 to tonnes of CO2) = 195.17Mt of CO2.⁵</p>	<p>Coral North is identical to Coral South in output, according to the Pipeline & Gas Journal. Natural Justice reports that Coral North is to be a 'replica' of the existing Coral South unit. We estimate the emissions caused by Coral North by using the publicly-available data from Coral South.</p> <p>Coral South emissions estimate calculated by Market Forces.</p>
Pengerang Energy Complex (PEC) Petrochemical Project, Malaysia	Posted on EXIM website 4/2/2021	<p>Emissions: 143,386,750 tonnes of CO2 over the project lifetime - based on 50 years of annual emissions.⁶</p>	<p>Calculated by using EXIM's estimate of 2,867,735 tonnes CO2 per year, and the current master plan for the Pengerang Integrated Petroleum Complex (PIPC, of which this project is part) envisions that PIPC 'will be able to support growth opportunities for the next 40-50 years.'</p>
Papua Liquefied Natural Gas Project, Papua New Guinea	Posted on EXIM website 6/9/2023	<p>Emissions: 220 million tonnes of CO2 equivalent (MTCO2e) over the project's lifetime (Institute for Energy Economics & Financial Analysis)</p>	<p>The total Scope 3 emissions of the project over its lifespan are estimated at 220 MTCO2e. This is approximately the total annual emissions of Bangladesh, a country of 170 million people.</p> <p>According to the Institute for Energy Economics & Financial Analysis (IEEFA), financiers of the project face high risks as no binding or non-binding sales agreements have been made, and the project will deliver LNG at a time of</p>

⁵ N.b., This estimate only includes CO2, not other greenhouse gasses, so it is an underestimate of the total climate impact.

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			projected glut in global supplies.
Guyana Gas to Energy Project – Offshore Pipeline, Integrated Liquid Natural Gas Separation Plant and 300MW Natural Gas Power Plant	Posted on EXIM website	Emissions: In violation of US and Guyanese law, the ESIA posted on EXIM’s website does not provide an emissions estimate.	According to IEEFA, the project will far exceed the Guyanese public’s need for energy and could cause economic hardship for the Guyana government. The Guyana gas to energy project will lead to a substantially overbuilt electrical system since the new natural gas power plant would generate more electricity – possibly more than six times more – than consumers in Guyana are likely to use in the near future.
Red Sea National Petrochemicals, Egypt	Posted on EXIM website 3/9/2022	Emissions: EXIM has not provided an emissions estimate, nor can a publicly available estimate be found.	The company’s website claims that it “is one of the largest industrial complexes in the Middle East and the biggest in Africa,” meaning the GHG emissions are likely to be significant.
Kirkuk Enhanced Heat Waste Recovery Power Generation Project, Iraq	Posted on EXIM website 6/25/2024	Emissions: EXIM estimates 99,000 tonnes of annual CO2 emissions. ⁷	
AEME Oil/Gas Separation upgrade and flare gas reduction Project at the Pemex PEP Jujo Separation Plant, Mexico	Posted on EXIM website 5/17/2024	Emissions: EXIM claims that the project will result in a “[s]ignificant net reduction of CO2 emissions,” but fails to provide environmental impact documents or account for the fact that EXIM’s support is extending the lifetime of this project and hence the period for which it will emit GHG emissions.	EXIM has provided \$16.14 billion in loans and guarantees to Pemex since 1998, which has included a project that set the ocean on fire in the Gulf of Mexico in 2021.
TOTAL CO2 EMISSIONS:		5,058,556,750 tonnes CO2e This is roughly 80 percent of the annual fossil fuel emissions produced by the entire United States - 6,343,000,000 tonnes . Alternatively, it’s equivalent to the annual CO2e of 1,300 coal-fired power plants .	This figure is likely an underestimate as it does not include: 1) Fossil fuel projects under consideration by EXIM for which emissions data is not yet available, such as the Guyana Gas to Energy Project and the Red Sea National Petrochemicals project.

⁷ N.b., This estimate only includes CO2, not other greenhouse gasses, so it is an underestimate of the total climate impact.

			2) Fossil fuel projects under consideration by EXIM that have not been publicly disclosed.
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Methodology notes

- The above information was taken from a number of publicly-available sources, including EXIM's own analysis, US EPA, as well as analysis from the Institute for Energy Economics and Financial Analysis (IEEFA), Friends of the Earth U.S. and information taken from the project sponsors.
- The CO₂ emissions estimates we present do not capture the full climate impact of new projects. We do not account for the significant warming effects of methane or other short-lived greenhouse gasses associated with oil and gas extraction, processing, and transport.