

117TH CONGRESS
1ST SESSION

H. R. 5775

To require the use of the voice and vote of the United States in international financial institutions to advance the cause of transitioning the global economy to a clean energy economy and to prohibit United States Government assistance to countries or entities to support fossil fuel activity, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 28, 2021

Mr. HUFFMAN (for himself, Ms. BARRAGÁN, Mr. SOTO, Mr. ESPAILLAT, Ms. TLAIB, Mr. BLUMENAUER, Ms. ESCOBAR, and Mr. JONES) introduced the following bill; which was referred to the Committee on Financial Services, and in addition to the Committee on Foreign Affairs, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To require the use of the voice and vote of the United States in international financial institutions to advance the cause of transitioning the global economy to a clean energy economy and to prohibit United States Government assistance to countries or entities to support fossil fuel activity, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Sustainable Inter-
3 national Financial Institutions Act of 2021”.

4 **SEC. 2. CLEAN ENERGY AND CLIMATE JUSTICE AT INTER-**
5 **NATIONAL FINANCIAL INSTITUTIONS.**

6 The International Financial Institutions Act (22
7 U.S.C. 262c et seq.) is amended by adding at the end the
8 following:

9 **“TITLE XX—CLEAN ENERGY AND**
10 **CLIMATE JUSTICE**

11 **“SEC. 2001. CLEAN ENERGY AND CLIMATE JUSTICE.**

12 “(a) IN GENERAL.—The United States Executive Di-
13 rectors at the international financial institutions specified
14 in subsection (c) shall use the voice and vote of the United
15 States in those institutions—

16 “(1) to advance the cause of reducing green-
17 house gas emissions and transitioning the global
18 economy to a clean energy economy, including by
19 seeking to channel assistance toward countries and
20 entities that are building clean and sustainable en-
21 ergy systems;

22 “(2) to oppose any policy reform, or investment,
23 loan, or extension of financial or technical assistance
24 to any country or entity, that is intended to create,
25 or will have the effect of creating, new capacity for,
26 or the expansion of, fossil fuel activity, including—

1 “(A) any such policy reform, investment,
2 loan, or extension of assistance that would sup-
3 port the refurbishment or life extension of exist-
4 ing fossil fuel capacity; or

5 “(B) any such investment, loan, or exten-
6 sion of assistance to a country or entity that
7 would necessitate, or is predicated upon, in-
8 creased fossil fuel capacity outside of the coun-
9 try receiving the investment, loan, or extension
10 of assistance or the country in which the entity
11 operates, as applicable, without regard whether
12 the activity falls within the portfolio of the
13 international financial institution providing the
14 investment, loan, or extension of assistance; and

15 “(3) to support the phasing out of funding for
16 internal combustion engines for passenger vehicles
17 and buses by 2025 in a way that is sustainable and
18 sensitive to communities in need of mobility.

19 “(b) REDUCTION OF CONTRIBUTIONS; DEPOSIT IN
20 ESCROW ACCOUNT.—

21 “(1) DETERMINATION OF EXPENDITURE ON
22 NEW FOSSIL FUEL CAPACITY.—In each fiscal year,
23 the Secretary of the Treasury shall—

24 “(A) determine the amount of investments,
25 loans, and extensions of financial or technical

1 assistance provided by each international finan-
2 cial institution specified in subsection (c) to any
3 country or entity to create new capacity for fos-
4 sil fuel activity during the preceding fiscal year;
5 and

6 “(B) reduce the contribution of the United
7 States to that institution by the amount deter-
8 mined under subparagraph (A).

9 “(2) DEPOSIT IN ESCROW ACCOUNT.—The Sec-
10 retary shall deposit in an escrow account the amount
11 by which the contribution of the United States to
12 each international financial institution specified in
13 subsection (c) is reduced under paragraph (1)(B).

14 “(3) RELEASE FROM ESCROW ACCOUNT.—The
15 Secretary shall release to each international financial
16 institution specified in subsection (c) the amount in
17 the escrow account under paragraph (2) attributable
18 to contributions to that institution reduced under
19 paragraph (1)(B) at such time as the Secretary de-
20 termines and certifies to Congress that the institu-
21 tion is no longer providing investments, loans, or ex-
22 tensions of financial or technical assistance to any
23 country or entity to create new capacity for fossil
24 fuel activity.

1 “(4) REPORTS REQUIRED.—Not later than 120
2 days after depositing amounts into the escrow ac-
3 count under paragraph (2) attributable to contribu-
4 tions to an international financial institution speci-
5 fied in subsection (c) reduced under paragraph
6 (1)(B), and annually thereafter until amounts are
7 released to that institution under paragraph (3), the
8 Secretary shall submit to Congress a report that
9 documents investments, loans, and extensions of fi-
10 nancial or technical assistance provided by that in-
11 stitution to any country or entity to create new ca-
12 pacity for fossil fuel activity during the preceding
13 fiscal year.

14 “(c) INTERNATIONAL FINANCIAL INSTITUTIONS
15 SPECIFIED.—The international financial institutions spec-
16 ified in this subsection are the following:

17 “(1) The International Bank for Reconstruction
18 and Development.

19 “(2) The International Development Associa-
20 tion.

21 “(3) The International Finance Corporation.

22 “(4) The Multilateral Investment Guarantee
23 Agency.

24 “(5) The African Development Fund.

25 “(6) The African Development Bank.

1 “(7) The Asian Development Fund.

2 “(8) The Asian Development Bank.

3 “(9) The European Bank for Reconstruction
4 and Development.

5 “(10) The Inter-American Development Bank.

6 “(11) The Inter-American Development Bank
7 Invest.

8 “(12) The North American Development Bank.

9 “(d) DEFINITIONS.—In this section:

10 “(1) FOSSIL FUEL ACTIVITY.—The term ‘fossil
11 fuel activity’ means the exploration, development,
12 mining or production, processing, refining, transpor-
13 tation (including pipelines transporting gas, oil, or
14 products thereof), combustion, distribution, or mar-
15 keting of, or the construction or operation of plants
16 for the processing or refining of, coal, petroleum,
17 natural gas, or any derivative of coal, petroleum, or
18 natural gas that is used for fuel.

19 “(2) FOSSIL FUEL.—

20 “(A) IN GENERAL.—The term ‘fossil fuel’
21 means all forms of coal, oil, and gas.

22 “(B) INCLUSIONS.—The term ‘fossil fuel’
23 includes—

24 “(i) bitumen from oil sands;

25 “(ii) kerogen from oil shale;

- 1 “(iii) liquids manufactured from coal;
- 2 “(iv) coal bed methane;
- 3 “(v) methane hydrates;
- 4 “(vi) light oil derived from shale or
- 5 other formations;
- 6 “(vii) natural gas liquids; and
- 7 “(viii) all conventionally and uncon-
- 8 conventionally produced hydrocarbons.

9 “(3) POLICY REFORM.—The term ‘policy re-

10 form’ means a process at an international financial

11 institution that changes rules, regulations, or insti-

12 tutions and results in incentivizing fossil fuel invest-

13 ment, such as by lowering tax liability or increasing

14 energy tariffs.”.

15 **SEC. 3. PROHIBITION ON FOREIGN ASSISTANCE THAT**

16 **WOULD SUPPORT FOSSIL FUEL ACTIVITY.**

17 The United States may not provide, directly or indi-

18 rectly (such as through a financial intermediary), any

19 loan, insurance, guarantee, or extension of financial or

20 technical assistance, including policy guidance, to any

21 country or entity for any fossil fuel activity (as defined

22 in section 2001(d) of the International Financial Institu-

23 tions Act, as added by section 2) or a related infrastruc-

24 ture project, including through the United States Inter-

25 national Development Finance Corporation, the Export-

1 Import Bank of the United States, the Trade and Devel-
2 opment Agency, the United States Agency for Inter-
3 national Development, or the Millennium Challenge Cor-
4 poration.

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