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 SENATE OF THE UNITED STATES

Mr. Merkley introduced the following bill; which was read twice and referred to the Committee on __________________

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.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Sustainable International Financial Institutions Act of 2020”.

SEC. 2. CLEAN ENERGY AND CLIMATE JUSTICE AT INTERNATIONAL FINANCIAL INSTITUTIONS.

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

“TITLE XX—CLEAN ENERGY AND CLIMATE JUSTICE

“SEC. 2001. CLEAN ENERGY AND CLIMATE JUSTICE.

“(a) In General.—The United States Executive Directors of the international financial institutions specified in subsection (c) shall use the voice and vote of the United States in those institutions—

“(1) to advance the cause of reducing carbon emissions and transitioning the global economy to a clean energy economy, including by seeking to channel assistance toward countries and entities that are building clean and sustainable energy systems; and

“(2) to oppose any loan or extension of financial or technical assistance to any country or entity to create new capacity for fossil fuel activity.

“(b) Reduction in Contributions.—The Secretary of the Treasury shall reduce the contribution of the United States to an international financial institution specified in subsection (c) in a fiscal year by the amount of any loans or extensions of financial or technical assistance provided by the institution to any country or entity
to create new capacity for fossil fuel activity during that fiscal year.

“(c) INTERNATIONAL FINANCIAL INSTITUTIONS SPECIFIED.—The international financial institutions specified in this subsection are the following:

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

“(2) The International Development Association.

“(3) The International Finance Corporation.


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

“(10) The Inter-American Development Bank.

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


“(d) DEFINITIONS.—In this section:

“(1) FOSSIL FUEL ACTIVITY.—The term ‘fossil fuel activity’ means the exploration, development,
mining or production, processing, refining, transportation (including pipelines transporting gas, oil, or products thereof), distribution, or marketing of, or the construction or operation of plants for the processing or refining of, coal, petroleum, natural gas, or any derivative of coal, petroleum, or natural gas that is used for fuel.

“(2) Fossil fuel resource.—

“(A) In general.—The term ‘fossil fuel resource’ means all forms of coal, oil, and gas.

“(B) Inclusions.—The term ‘fossil fuel resource’ includes—

“(i) bitumen from oil sands;

“(ii) kerogen from oil shale;

“(iii) liquids manufactured from coal;

“(iv) coal bed methane;

“(v) methane hydrates;

“(vi) light oil derived from shale or other formations;

“(vii) natural gas liquids; and

“(viii) all conventionally and unconventionally produced hydrocarbons.”.
SEC. 3. PROHIBITION ON FOREIGN ASSISTANCE THAT
WOULD SUPPORT FOSSIL FUEL ACTIVITY.

The United States may not provide any loan, insurance, guarantee, or extension of financial or technical assistance to any country or entity for any fossil fuel activity (as defined in section 2001(d) of the International Financial Institutions Act, as added by section 2), including through the United States International Development Finance Corporation, the Export–Import Bank of the United States, the Trade and Development Agency, the United States Agency for International Development, or the Millennium Challenge Corporation.