

110TH CONGRESS  
2D SESSION

# H. R. 7160

To authorize United States participation in, and appropriations for the United States contribution to, an international clean technology fund, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 26, 2008

Ms. MOORE of Wisconsin (for herself, Mr. FRANK of Massachusetts, Mr. ISRAEL, and Mr. SHAYS) introduced the following bill; which was referred to the Committee on Financial Services

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## A BILL

To authorize United States participation in, and appropriations for the United States contribution to, an international clean technology fund, 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,*

3 **SECTION 1. INTERNATIONAL CLEAN TECHNOLOGY FUND.**

4 (a) IN GENERAL.—The Bretton Woods Agreements  
5 Act (22 U.S.C. 286–286oo) is amended by adding at the  
6 end the following:

7 **“SEC. 64. CLEAN TECHNOLOGY FUND.**

8 “(a) CONTRIBUTION AUTHORITY.—

1           “(1) IN GENERAL.—The Secretary of the  
2 Treasury may contribute on behalf of the United  
3 States \$400,000,000 to a fund, as described in sub-  
4 section (b) (in this section referred to as the ‘Clean  
5 Technology Fund’).

6           “(2) LIMITATIONS ON AUTHORIZATION OF AP-  
7 PROPRIATIONS.—For the contribution authorized by  
8 paragraph (1), there is authorized to be appro-  
9 priated not more than \$400,000,000 for fiscal year  
10 2009.

11          “(b) REQUIREMENTS.—The requirements of this sub-  
12 section are as follows:

13           “(1) ADMINISTRATION.—The Clean Technology  
14 Fund is established and administered by the Bank.

15           “(2) PURPOSE.—The purpose of the Clean  
16 Technology Fund is to promote accelerated deploy-  
17 ment in developing countries of technologies that will  
18 substantially reduce greenhouse gas emissions, by  
19 providing funds, primarily through multilateral de-  
20 velopment banks to promising projects in developing  
21 countries.

22           “(3) COORDINATION WITH THE UNITED NA-  
23 TIONS FRAMEWORK CONVENTION ON CLIMATE  
24 CHANGE.—

1           “(A) IN GENERAL.—The Clean Technology  
2 Fund is required to operate in a manner that  
3 is fully consistent and supportive of the United  
4 Nations Framework Convention on Climate  
5 Change (in this paragraph referred to as the  
6 ‘UNFCCC’).

7           “(B) TERMINATION OF OPERATIONS.—The  
8 Bank is required to take necessary steps to con-  
9 clude the operations of the Clean Technology  
10 Fund (including by not entering into new agree-  
11 ments for contributions to the Clean Tech-  
12 nology Fund) on the commencement of oper-  
13 ations of an international clean technology fund  
14 provided for by the UNFCCC, unless the out-  
15 come of the UNFCCC negotiations indicates  
16 otherwise.

17           “(4) AUTHORITY TO HOLD UNDISBURSED  
18 FUNDS IN INTEREST-BEARING ACCOUNTS.—Pending  
19 disbursement from the Clean Technology Fund of  
20 amounts provided under this section, the Bank has  
21 the authority to hold the amounts in interest-bearing  
22 accounts of the Clean Technology Fund.

23           “(5) LIMITS ON COUNTRY ACCESS.—

24           “(A) DISTRIBUTION OF FUND RE-  
25 SOURCES.—The Clean Technology Fund is pro-

1           hibited from providing more than approximately  
2           15 percent of Fund resources to any 1 country.

3           “(B) COUNTRY ELIGIBILITY.—In order for  
4           a country to be eligible for support from the  
5           Clean Technology Fund, the country must—

6                   “(i) submit to the governing body of  
7                   the Clean Technology Fund an investment  
8                   plan that will achieve substantial reduc-  
9                   tions in national-level greenhouse gas emis-  
10                  sions; and

11                  “(ii) in the case of a country classified  
12                  by the Bank as ‘lower middle income’ or  
13                  above, based on gross national income per  
14                  capita, contribute, from public funds, an  
15                  amount equal to 25 percent of the cost of  
16                  any project for which the country seeks as-  
17                  sistance from the Clean Technology  
18                  Fund—

19                           “(I) to the project; or

20                           “(II) to the Clean Technology  
21                           Fund.

22           “(6) PROJECT AND PROGRAM REQUIRE-  
23           MENTS.—

24                   “(A) IN GENERAL.—Support from the  
25           Clean Technology Fund is required to be used

1 to cover the incremental costs of deploying  
2 clean energy technologies that result in substan-  
3 tial and additional reductions from baseline  
4 greenhouse gas emissions to the atmosphere.

5 “(B) SELECTION CRITERIA.—Support  
6 from the Clean Technology Fund is required to  
7 be allocated with the principal objectives of—

8 “(i) deploying ‘zero carbon’ clean en-  
9 ergy technologies, such as electricity gen-  
10 eration from renewable sources;

11 “(ii) maximizing additional reductions  
12 of greenhouse emissions per dollar of sup-  
13 port provided;

14 “(iii) catalyzing a shift within the host  
15 country towards widespread commercial  
16 deployment of clean energy technologies;  
17 and

18 “(iv) prioritizing clean technology in-  
19 vestments to proven privately-owned enter-  
20 prises, preferably small and medium-sized  
21 enterprises.

22 “(C) LIMITATIONS ON COAL-RELATED  
23 PROJECTS.—The Clean Technology Fund is  
24 prohibited from providing support for any new  
25 coal-fired electricity generation facility unless—

1 “(i) the facility utilizes—

2 “(I) integrated gasification com-  
3 bined cycle or ultrasupercritical tech-  
4 nology; or

5 “(II) another new technology  
6 (but not subcritical or supercritical  
7 technology) with an efficiency rating  
8 equal to or greater than the efficiency  
9 rating of the technologies referred to  
10 in subclause (I);

11 “(ii) the facility would not use the  
12 technology so utilized in the absence of  
13 support from the Clean Technology Fund;  
14 and

15 “(iii) the facility is specifically de-  
16 signed to accommodate retrofitting with  
17 carbon capture and storage technology  
18 when the technology becomes ready for  
19 commercial deployment.

20 “(D) DEFINITIONS.—For purposes of this  
21 paragraph:

22 “(i) ADDITIONAL.—The term ‘addi-  
23 tional’ means the extent to which reduc-  
24 tions in greenhouse gas emissions are in-

1 incremental to business-as-usual, measured  
2 as the difference between—

3 “(I) the baseline; and

4 “(II) net lifecycle greenhouse gas  
5 emissions resulting from a project or  
6 program, including, where practicable,  
7 effects beyond the physical boundaries  
8 of the project but associated with the  
9 project activity.

10 “(ii) BASELINE.—The term ‘baseline’  
11 means the greenhouse gas emissions that  
12 would have occurred in the absence of a  
13 project or program.

14 “(iii) CLEAN ENERGY TECH-  
15 NOLOGY.—The term ‘clean energy tech-  
16 nology’ means an energy supply technology  
17 or an end-use energy efficiency technology  
18 that, as compared with technologies being  
19 deployed at that time for widespread com-  
20 mercial use in the country involved—

21 “(I) achieves substantial reduc-  
22 tions in lifecycle emissions of green-  
23 house gases, calculated on an appro-  
24 priate per unit basis; and

1                   “(II) does not result in signifi-  
2                   cant incremental adverse effects on  
3                   public health or the environment.

4                   “(iv) GREENHOUSE GAS.—The term  
5                   ‘greenhouse gas’ means any of—

6                                 “(I) carbon dioxide;

7                                 “(II) methane;

8                                 “(III) nitrous oxide;

9                                 “(IV) sulfur hexafluoride;

10                                “(V) a hydrofluorocarbon; or

11                                “(VI) a perfluorocarbon.

12                   “(7) TRANSPARENCY.—The Bank and the gov-  
13                   erning body of the Clean Technology Fund shall pro-  
14                   vide for maximum transparency in all aspects of the  
15                   governance of the Clean Technology Fund, includ-  
16                   ing—

17                                “(A) providing for broad-based input of  
18                   stakeholders in the strategic directions, results,  
19                   and impacts of the Clean Technology Fund, in-  
20                   cluding through meetings of interested govern-  
21                   ments, multilateral development banks, United  
22                   Nations agencies, the Global Environment Fa-  
23                   cility, other multilateral and bilateral climate  
24                   programs, nongovernmental organizations, pri-



1 vate sector entities and scientific and technical  
2 experts;

3 “(B) in the case of the governing body, en-  
4 gaging in an active dialogue with representa-  
5 tives of institutions with a mandate to promote  
6 investments in clean technology to address cli-  
7 mate change, including by extending invitations  
8 of the institutions to attend meetings of the  
9 governing body as observers; and

10 “(C) in the case of the Bank, maintaining  
11 a clearly identified web site that includes all  
12 public information or links to information re-  
13 garding the policies of the Clean Technology  
14 Fund, projects and programs supported by the  
15 Clean Technology Fund, minutes of the Trust  
16 Fund Committee meetings, annual reports of  
17 the Clean Technology Fund and other result  
18 measurement documents.

19 “(c) UNITED STATES VOTES ON FUND PROPOSALS  
20 AND UNITED STATES POLICY ON ENVIRONMENTAL AS-  
21 SESSMENTS.—The Secretary of the Treasury shall—

22 “(1) direct the United States representative in  
23 the entity that oversees the operations and activities  
24 of the Clean Technology Fund to use the voice and  
25 vote of the United States to oppose any proposal (in-

1 including any loan, credit, grant, or guarantee) which  
2 would result in the Clean Technology Fund failing  
3 to meet the requirements of subsection (b)(3),  
4 (b)(5), (b)(6), or (b)(7) of this section; and

5 “(2) encourage all the multilateral development  
6 banks to apply environmental assessment procedures  
7 similar to those described in section 1307 of the  
8 International Financial Institutions Act (22 U.S.C.  
9 262m–7) in their consideration and implementation  
10 of Clean Technology Fund proposals.

11 “(d) COORDINATION WITH THE INTERNATIONAL  
12 CLEAN ENERGY FOUNDATION.—The Secretary of the  
13 Treasury shall seek to ensure that the duties and activities  
14 of the Clean Technology Fund are complementary to the  
15 duties and activities of the International Clean Energy  
16 Foundation as established by section 922 of the Energy  
17 Independence and Security Act of 2007 (42 U.S.C.  
18 17352).”.

19 (b) REPORT TO THE CONGRESS.—Within 180 days  
20 after the date of the enactment of this Act, and annually  
21 thereafter, the Secretary of the Treasury shall submit to  
22 the Congress a report on the operations of any fund to  
23 which amounts made available under section 64 of the  
24 Bretton Woods Agreements Act are provided, including a  
25 description of—

1           (1) any projects for which amounts have been  
2           disbursed from the fund;

3           (2) the effects expected by the Secretary of  
4           each such project (or, in the case of a project which  
5           has been implemented, the effects of the project) on  
6           the overall greenhouse gas emissions from the coun-  
7           try in which the project is being carried out;

8           (3) the criteria and methodology used to deter-  
9           mine the eligibility of proposed projects for funding  
10          from the fund;

11          (4) the progress made in commencing oper-  
12          ations of the fund, including any remaining obstacles  
13          to the operations; and

14          (5) any project for which amounts have been  
15          disbursed from the fund which support coal or coal-  
16          related technologies, and a justification for support  
17          for the project from the fund, including a description  
18          of—

19                 (A) the transformational nature of the  
20                 project;

21                 (B) how the project is consistent with the  
22                 national low carbon strategy of the country in-  
23                 volved;

24                 (C) the degree to which the project re-  
25                 duced greenhouse gas emissions; and

1 (D) the degree to which the technology was  
 2 a higher-cost technology relative to other avail-  
 3 able technologies.

4 (c) SENSE OF THE CONGRESS.—It is the sense of the  
 5 Congress that small and medium-sized enterprises—

6 (1) are an important source of technological in-  
 7 novation and economic development globally;

8 (2) can and should play an important role in  
 9 the dissemination and implementation of innovative  
 10 clean technologies in developing countries; and

11 (3) should be supported through any fund re-  
 12 ferred to in subsection (b).

13 **SEC. 2. EXPANSION OF CLIMATE CHANGE MITIGATION AC-**  
 14 **TIVITIES OF, AND USE OF GREENHOUSE GAS**  
 15 **ACCOUNTING BY, THE MULTILATERAL DE-**  
 16 **VELOPMENT BANKS.**

17 Title XIII of the International Financial Institutions  
 18 Act (22 U.S.C. 26m—262m–7) is amended by adding at  
 19 the end the following:

20 **“SEC. 1308. EXPANSION OF CLIMATE CHANGE MITIGATION**  
 21 **ACTIVITIES OF, AND USE OF GREENHOUSE**  
 22 **GAS ACCOUNTING BY, THE MULTILATERAL**  
 23 **DEVELOPMENT BANKS.**

24 “(a) USE OF GREENHOUSE GAS ACCOUNTING.—The  
 25 Secretary of the Treasury shall seek to ensure that each

1 multilateral development bank (as defined in section  
2 1701(c)(4)) adopts and implements greenhouse gas  
3 (GHG) accounting in analyzing the benefits and costs of  
4 individual projects (excluding those with de minimus  
5 greenhouse gas emissions) for which funding is sought  
6 from the bank.

7 “(b) SENSE OF THE CONGRESS.—It is the sense of  
8 the Congress that adopting and implementing GHG ac-  
9 counting includes—

10 “(1) calculating net GHG flows;

11 “(2) establishing uniform calculation tech-  
12 niques, with provision for modification as profes-  
13 sional standards evolve;

14 “(3) making public the calculation techniques  
15 and the calculations;

16 “(4) measuring GHG emissions of individual  
17 projects, and considering global social costs of the  
18 emissions when evaluating the economic costs and  
19 benefits of the projects; and

20 “(5) performing GHG accounting for each  
21 project.

22 “(c) EXPANSION OF CLIMATE CHANGE MITIGATION  
23 ACTIVITIES.—The Secretary of the Treasury shall work  
24 to ensure that the multilateral development banks (as de-  
25 fined in section 1701(c)(4) of the International Financial

1 Institutions Act) expand their activities supporting climate  
2 change mitigation by—

3 “(1) expending support for energy efficiency  
4 and renewable energy investments;

5 “(2) reviewing all proposed infrastructure in-  
6 vestments to ensure all opportunities for integrating  
7 viable energy efficiency measures have been consid-  
8 ered; and

9 “(3) increasing their dialogue with developing  
10 country governments on analysis and policy meas-  
11 ures needed for low-carbon-emission economic devel-  
12 opment, including on reforms needed to promote pri-  
13 vate sector engagement in renewable and energy effi-  
14 ciency investments, and integrate low-carbon-emis-  
15 sion economic development objectives into multilat-  
16 eral development bank country strategies.

17 “(d) REPORT TO CONGRESS.—Within 1 year after  
18 the date of the enactment of this section, and annually  
19 thereafter, the Secretary of the Treasury shall submit to  
20 the Committee on Financial Services of the House of Rep-  
21 resentatives and the Committee on Foreign Relations of  
22 the Senate a report on the status of efforts to implement  
23 this section.”.

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