

119TH CONGRESS  
1ST SESSION

# S. 3123

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.

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## IN THE SENATE OF THE UNITED STATES

NOVEMBER 6, 2025

Mr. MERKLEY (for himself and Mr. SANDERS) introduced the following bill; which was read twice and referred to the Committee on Foreign Relations

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## 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,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Sustainable Inter-  
5 national Financial Institutions Act of 2025”.

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

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

6 **“TITLE XX—CLEAN ENERGY AND**  
 7 **CLIMATE JUSTICE**

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

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

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

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

24 “(A) any such policy reform, investment,  
 25 loan, or extension of assistance that would sup-

1 port the refurbishment or life extension of exist-  
2 ing fossil fuel capacity; or

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

14 “(3) to support the phasing out of funding for  
15 internal combustion engines for passenger vehicles  
16 and buses by 2027 in a way that is sustainable and  
17 sensitive to communities in need of mobility.

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

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

23 “(A) determine the amount of investments,  
24 loans, and extensions of financial or technical  
25 assistance provided by each international finan-

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

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

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

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

24           “(4) REPORTS REQUIRED.—Not later than 120  
25          days after depositing amounts into the escrow ac-

1 count under paragraph (2) attributable to contribu-  
2 tions to an international financial institution speci-  
3 fied in subsection (c) reduced under paragraph  
4 (1)(B), and annually thereafter until amounts are  
5 released to that institution under paragraph (3), the  
6 Secretary shall submit to Congress a report that  
7 documents investments, loans, and extensions of fi-  
8 nancial or technical assistance provided by that in-  
9 stitution to any country or entity to create new ca-  
10 pacity for fossil fuel activity during the preceding  
11 fiscal year.

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

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

17 “(2) The International Development Associa-  
18 tion.

19 “(3) The International Finance Corporation.

20 “(4) The Multilateral Investment Guarantee  
21 Agency.

22 “(5) The African Development Fund.

23 “(6) The African Development Bank.

24 “(7) The Asian Development Fund.

25 “(8) The Asian Development Bank.

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

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

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

6           “(12) The North American Development Bank.

7           “(d) DEFINITIONS.—In this section:

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

17           “(2) FOSSIL FUEL.—

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

20           “(B) INCLUSIONS.—The term ‘fossil fuel’  
21 includes—

22                   “(i) bitumen from oil sands;

23                   “(ii) kerogen from oil shale;

24                   “(iii) liquids manufactured from coal;

25                   “(iv) coal bed methane;

1 “(v) methane hydrates;

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

4 “(vii) natural gas liquids; and

5 “(viii) all conventionally and uncon-  
6 conventionally produced hydrocarbons.

7 “(3) POLICY REFORM.—The term ‘policy re-  
8 form’ means a process at an international financial  
9 institution that changes rules, regulations, or insti-  
10 tutions and results in incentivizing fossil fuel invest-  
11 ment, such as by lowering tax liability or increasing  
12 energy tariffs.”.

13 **SEC. 3. PROHIBITION ON FOREIGN ASSISTANCE THAT**  
14 **WOULD SUPPORT FOSSIL FUEL ACTIVITY.**

15 The United States may not provide, directly or indi-  
16 rectly (such as through a financial intermediary), any  
17 loan, insurance, guarantee, or extension of financial or  
18 technical assistance, including policy guidance, to any  
19 country or entity for any fossil fuel activity (as defined  
20 in section 2001(d) of the International Financial Institu-  
21 tions Act, as added by section 2) or a related infrastruc-  
22 ture project, including through the United States Inter-  
23 national Development Finance Corporation, the Export-  
24 Import Bank of the United States, the Trade and Devel-  
25 opment Agency, the United States Agency for Inter-

1 national Development, or the Millennium Challenge Cor-  
2 poration.

