

2021



# EXIM Annual Performance Plan

FY 2021

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## OVERVIEW

### Export-Import Bank Annual Performance Plan (APP) for FY 2021<sup>1</sup>

This document combines a revision of EXIM's FY 2020 Government Performance and Results Act (GPRA) Annual Performance Plan with EXIM's FY 2021 Annual Performance Plan. The Strategic Plan applicable for the years 2018 – 2022 was submitted with revisions and approved by the Office of Management and Budget (OMB).

The 2018-2022 Strategic Plan was revised to include five goals<sup>2</sup> that serve as the basis for EXIM's GPRA targets:

#### 2018 – 2022 Goals

1. Support U.S. job creation by increasing outreach and Medium- and Long-Term (MLT) support for U.S. Exporters.
2. Increase Small- and Medium-Sized Enterprise (SME) engagement with EXIM to support the growth of U.S. jobs.
3. Level the playing field for U.S. exporters to protect U.S. competitiveness and enhance U.S. national security interests.
4. Protect U.S. taxpayers through good governance and enhance customer service.
5. Recruit and retain top talent.

#### Agency Performance Staff:

**Chief Management Officer (CMO):** Adam Martinez. The CMO provides overall organization management to improve agency performance and achieve the mission and goals of the agency through the use of strategic planning, measurement analyses, and regular review of overall progress.

**Performance Improvement Officer (PIO):** Michele Kuester, SVP, Office of Strategy and Performance. The PIO advises and assists EXIM's leadership to ensure that the mission and goals are achieved through strategy and performance planning, measurement, analysis, regular assessment of progress and use of performance information to improve results. Designated goal leaders manage and are responsible for the agency's efforts to accomplish specific goals.

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<sup>1</sup> Incorporating FY 2020 APP revisions.

<sup>2</sup> Goal leaders are named below under the corresponding goal.

## GOAL ONE

### **SUPPORT U.S. JOB CREATION BY INCREASING OUTREACH AND MEDIUM- AND LONG-TERM (MLT) SUPPORT FOR U.S. EXPORTERS.**

**Goal Leader:** David Sena, SVP, Office of Board-Authorized Finance

EXIM supports U.S. jobs by facilitating the export of U.S. goods and services. EXIM's Charter requires the agency provide medium-and-long-term financing products and to ensure that those products are competitive with the programs of other major export credit agencies (ECAs) (12 USC 635(a)(3)). This requirement continues to increase in importance as the number of ECAs, now at 113, continues to grow around the world and they are being used in more aggressive ways to protect foreign exports and jobs, as well as lure U.S. jobs away from our nation.

EXIM will ensure that stakeholder education and outreach is effective and that EXIM's MLT programs are sufficiently competitive to ensure U.S. businesses—including the many small and medium-sized business that utilize EXIM's MLT financing products—can win against foreign competitors. EXIM's increased outreach will provide greater awareness of the flexible trade credit financing that is important for exporters seeking growth in the developing and intermediate market economies around the globe.

- **Outreach Engagements**
  - Corresponding Strategic Plan Outcome: Increase outreach engagements to enhance awareness of MLT programs.
  - Metric based on the number of MLT program outreach engagements.
- **Increase MLT Support for U.S. Exporters**
  - Corresponding Strategic Plan Outcome: Increase amount of EXIM MLT financing where market gaps exist.
  - Metric based on EXIM data on dollar value of MLT financings.

## GOAL TWO

### INCREASE SMALL- AND MEDIUM-SIZE ENTERPRISE (SME) ENGAGEMENT WITH EXIM TO SUPPORT THE GROWTH OF U.S. JOBS

**Goal Leader:** James Burrows, SVP, Office of Small Business

EXIM will focus on its engagement with U.S. small businesses and the growth of its small business customer base. To achieve this goal, EXIM has developed several strategies collectively aimed at attracting and retaining small business customers, growing intermediaries, enhancing the customer experience by improving the ease of doing business through technology modernization, increasing operational efficiency, and educating and building awareness of EXIM and its products through enhanced digital media efforts.

- **Total Small Business Dollar Authorizations**

- Corresponding Strategic Plan Outcome: Increase number of total small business dollar authorizations – both new and current.
- Metrics based on
  - EXIM’s calculated percentage of new and existing Small Business authorizations<sup>3</sup> receiving EXIM support.
  - Total number of EXIM Small Business authorizations.

- **New-to-EXIM U.S. Small Business Customers Supported**

- Corresponding Strategic Plan Outcome: Increase the number of “new-to-EXIM” small business customers supported.
- Metric based on EXIM data regarding the total number of “new-to-EXIM” small business customers receiving EXIM support.

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<sup>3</sup> Calculation based on a percentage of total authorization.

## GOAL THREE

### LEVEL THE PLAYING FIELD FOR U.S. EXPORTERS TO PROTECT U.S. COMPETITIVENESS AND ENHANCE U.S. NATIONAL SECURITY INTERESTS

**Goal Leader:** James Cruse, SVP, Office of Policy Analysis and International Relations

EXIM plays an increasingly important role in protecting U.S. businesses, including supply chains and workers, in a very competitive global economy—particularly as it relates to other ECAs. EXIM’s Charter mandates that the agency work to reduce the use of subsidies in global export credit activity while, at the same time, providing financing on terms that are fully competitive with those provided by foreign ECAs in order to support U.S. exports and jobs. China, in particular, has significantly outspent the U.S. in its ECA activity, posing significant long-term economic and national security issues and challenges for the U.S.

To achieve the target outcomes of regaining market share, increasing EXIM’s competitiveness vis-à-vis its foreign counterparts, and increase the United States presence in sectors and regions of strategic importance, EXIM has developed several strategies. These strategies include: working closely with other U.S. government agencies through a whole-of-government approach to provide comprehensive and impactful financing solutions to U.S. businesses; developing flexible financing solutions similar to those offered by foreign ECAs through flexible program development and innovation; and seeking to displace—or at least minimize—aggressive Chinese engagement in strategically important regions and industry sectors.

- **Increase Amount of EXIM MLT Financing**
  - Corresponding Strategic Plan Outcome: Increase amount of EXIM MLT financing, relative to foreign ECAs.
  - Metrics based on
    - Dollar value of MLT financings.
    - EXIM annual market share in terms of dollar value of authorizations relative to other foreign ECAs.
  
- **Regain U.S. ECA Market Share**
  - Corresponding Strategic Plan Outcome: Increase amount of EXIM MLT financing in particular industries that have historically sought EXIM support but where EXIM has fallen behind in terms of ECA activity relative to the significant market presence of U.S. companies in such industries.
  - Metric based on EXIM annual MLT volumes in major sectors where U.S. exporters are active as a percentage of total OECD MLT volumes in those sectors.

- **Increase Customers' Perception of EXIM's Competitiveness**
  - Corresponding Strategic Plan Outcome: Increase customers' perception of EXIM's competitiveness (as discussed in the annual EXIM Competitiveness Report), relative to the feedback received over the 2016-2019 period.
  - Metric based on the multitude of feedback received from EXIM customers throughout the year, culminating in a summary in EXIM's annual Competitiveness Report.
  
- **Focus MLT Financing to Compete with China**
  - Corresponding Strategic Plan Outcome: Increase MLT financing in strategically important sectors such as technology and/or geographic regions such as Africa and the Indo-Pacific.
  - Metric based on the value of authorized MLT transactions in strategically important sectors and countries.

## GOAL FOUR

### PROTECT U.S. TAXPAYERS THROUGH GOOD GOVERNANCE

**Goal Leader:** Ken Tinsley, CRO and SVP, Office of Chief Risk Officer

EXIM emphasizes the importance it puts on best serving customers, responsibly managing federal funds, and effectively maintaining its programs and initiatives via good governance.

- **Customer Satisfaction**
  - Corresponding Strategic Plan Outcome: Percentage of EXIM's customers rating EXIM as satisfactory or above, as defined in EXIM's customer experience/satisfaction measure.
  - The customer experience measures will be developed and baselined in FY 2020. Targets in FY 2021 and FY 2022 will be determined by the baselines established.
  
- **Default Rate**
  - Corresponding Strategic Plan Outcome: Institute a review process any time the default rate for a product line exceeds an appropriate pre-determined level.
  - Metric based on EXIM's ability to consistently maintain a default rate that is below the maximum set in its authorizing legislation.
  
- **Public Data Disclosures Error Rate**
  - Corresponding Strategic Plan Outcome: Improve internal and external communication.
  - Metric based on the extent to which EXIM's error rate level for Public Data Disclosures is within the government-wide standard for "Higher Quality" data (an error rate that does not exceed 20%, as of FY2019).



## GOAL FIVE

### RECRUIT AND RETAIN TOP TALENT

**Goal Leader:** Tonia Patterson, CHCO, Division of Human Capital

EXIM is committed to cultivating and maintaining a top-notch workforce. Related strategic objectives focus on two critical outcomes: high levels of employee engagement and leadership excellence. To achieve these outcomes, EXIM has developed strategies for FY 2020 and FY 2021 focused on improving talent management, employee experience and leadership effectiveness (characterized as “Leaders Lead” in the Federal Employee Viewpoint Survey).

- **Employee Engagement:**

- Corresponding Strategic Plan Objective: Increase EXIM’s Federal Employee Viewpoint Survey (FEVS) Employee Engagement score to equal or above the small agency government average of 70% by 2022, and reach 75% by 2022.
- Metric based EXIM’s FEVS Employee Engagement Index results.

## METRICS AND MEASURES

The metrics provided in the accompanying tables provide a framework that measures the outcome of EXIM's efforts toward our five strategic goals. Most data used to verify and validate measured values in the accompanying tables comes from EXIM's enterprise reporting system, which captures disparate data across the institution and transforms it into useful management information. Most of the data are used to underwrite, authorize and monitor the transactions EXIM supports, and as such, are subject to rigorous review processes performed by underwriters, underwriting managers, management and other EXIM offices—including the Office of the Chief Financial Officer. EXIM has a high-level of confidence in the quality of its performance data. Additional data sources include OECD data, EXIM's Annual Report on Competitiveness, and EXIM's Federal Employee Viewpoint Survey.

GOAL 1: SUPPORT U.S. JOB CREATION BY INCREASING OUTREACH AND MEDIUM- AND LONG-TERM SUPPORT FOR U.S. EXPORTERS							
Metric	Measurement	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Target	FY 2021 Target	FY 2022 Target
<b>Outreach Engagements</b>	# of MLT program outreach engagements with U.S. exporters and lenders	--	--	--	25	35	45
<b>Amount of EXIM MLT Financings</b>	Dollar value of EXIM MLT financings	\$172.1 million	\$292.7 million	\$5.3 billion	\$12 billion	\$17 billion	\$18 billion

## METRICS AND MEASURES, *cont.*

GOAL 2: INCREASE SMALL AND MEDIUM-SIZED ENTERPRISE (SME) ENGAGEMENT WITH EXIM TO SUPPORT THE GROWTH OF U.S. JOBS							
Metric	Measurement	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Target	FY 2021 Target	FY 2022 Target
<b>Small Business Percentage of Total Authorizations</b>	Small Business dollar authorizations - both new and current - as % of total authorizations	63.5%	66%	27.51%	25% <sup>4</sup>	30%	30%
<b>Number of Small Business Authorizations</b>	Total # of Small Business authorizations	2,240	2,163	2,096	2,271	2,385	2,504
<b>“New-to-EXIM” U.S. Small Business Customers</b>	# of “new-to-EXIM” Small Business customers supported as of end of fiscal year <sup>5</sup>	401	343	302	500	600	700

<sup>4</sup> This percentage reflects EXIM activity, assuming full functionality (e.g. ability to authorize transactions over \$10 million).

<sup>5</sup> Participants have had no activity with EXIM, in any role, for five years from the current date.

## METRICS AND MEASURES, *cont.*

GOAL 3: LEVEL THE PLAYING FIELD FOR U.S. EXPORTERS TO PROTECT U.S. COMPETITIVENESS AND ENHANCE U.S. NATIONAL SECURITY INTERESTS							
Metric	Measurement	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Target	FY 2021 Target	FY 2022 Target
<b>Amount of EXIM MLT Financings</b>	Dollar value of EXIM MLT financings	\$172.1 million	\$292.7 million	\$5.3 billion	\$12 billion	\$17 billion	\$18 billion
<b>Market Share (Overall ECA)</b>	EXIM % of market share relative to foreign ECAs	--	--	--	8%	10%	12%
<b>Market Share (Particular Sectors)</b>	% of annual MLT volumes in major sectors where U.S. exporters are active as a % of total OECD MLT volumes in those sectors	--	--	--	15% <sup>6</sup>	16%	17%
<b>Competitiveness</b>	Feedback received from EXIM Exporters and Lenders <sup>7</sup>	"Without a quorum, EXIM is not competitive"	"EXIM has a lot of catching up to do in order to be competitive"	Data unavailable until 2020	"EXIM is slightly more competitive than its foreign counterparts"	"EXIM is more competitive than its foreign counterparts"	"EXIM is much more competitive than its foreign counterparts"
<b>MLT Financing to Compete with China</b>	Amount of MLT financing in strategically important sectors and/or geographic regions ( <i>including those in Africa</i> ).	N/A	TBD	\$5 billion (MOZ LNG)	\$9 billion <sup>8</sup>	\$13 billion	\$14 billion

<sup>6</sup> Based on current pipeline as a percentage of average OECD MLT activity in the following (broad) sectors: technology; power; oil, gas, and commodity; machinery and equipment; and infrastructure.

<sup>7</sup> Based on exporter and lender survey, exporter and lender focus groups, one-on-one meetings with stakeholders, and a third-party survey.

<sup>8</sup> Targets based on analysis of internal EXIM Transaction Pipeline Report current forecast estimates.

## METRICS AND MEASURES, *cont.*

GOAL 4: PROTECT U.S. TAXPAYERS THROUGH GOOD GOVERNANCE							
Metric	Measurement	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Target	FY 2021 Target	FY 2022 Target
<b>EXIM Customer Satisfaction</b>	% of EXIM customer satisfaction	--	--	--	Baseline	TBD	TBD
<b>Default Rate</b>	Overdue Payments divided by Total Financing <sup>9</sup>	0.307%	0.447%	0.497%	<2%	<2%	<2%
<b>Public Data Disclosures Quality Level</b>	Data quality level of EXIM's public data disclosures <sup>10</sup>	--	--	93.34%	>80%	>85%	>90%

GOAL 5: RECRUIT AND RETAIN TOP TALENT							
Metric	Measurement	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Target	FY 2021 Target	FY 2022 Target
<b>EXIM Employee Engagement</b>	% positive response on FEVS Employee Engagement Index	55%	65%	67%	70%	73%	75%

<sup>9</sup> The default rate reflects a "total amount of required payments that are overdue" (claims paid on guarantees and insurance transactions plus loans past due) divided by a "total amount of financing involved" (disbursements):

$$\text{Overdue Payments} = \text{Defaults Paid} + \text{Expenses} - \text{Recoveries}$$

$$\text{Total Financing} = \text{Disbursements (Active)}$$

<sup>10</sup> In FY 2019, the government-wide standard for Higher Quality is an error rate that doesn't exceed 20%. (Page 33 of the CIGIE 2019 Audit Guidance for the DATA Act).