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Press release

## **A fatal error in JBIC's procedures in the Van Phong 1 Coal-Fired Power Generation Project**

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The Japanese environmental NGOs submitted a letter yesterday to the Japan Bank for International Cooperation (JBIC), a Japanese export credit agency to point out a clear and critical violation of the "JBIC Guidelines for Confirmation of Environment and Social Considerations (hereafter the Guidelines)". The project in subject is the Van Phong 1 Coal-Fired Power Generation Project which JBIC signed a loan agreement for on April 19, 2019. It is a project that Van Phong Power Company Limited, a Vietnamese company invested by Sumitomo Corporation, builds, owns and operates (BOT) a super critical power plant with two units of 660MW.

During a meeting between JBIC and the NGOs, JBIC spoke that they had not obtained resettlement action plans or other relevant plans, when these documents were necessary for environmental review according to their own guidelines.

The project was already criticized by Japanese as well as international civil society organizations, as it would not only have serious social and environmental impact, but also breaches the OECD Sector Understanding. The OECD Sector Understanding states that the export credit finance can only be provided to projects larger than 500MW that either 1) use ultra super critical (USC) technology, or 2) have an emission intensity lower than 750g CO<sub>2</sub>/kWh, but neither criteria applies to the Van Phong 1 project.

The letter demands that JBIC suspend the loan disbursement and re-conduct the environmental review process, after obtaining the resettlement action plans and the other relevant plans.

See the attached document for further information.

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