

25th January 2021

Press release

128 organizations from 39 countries demand Japanese government and companies to withdraw from Vung Ang 2 coal power plant project in Vietnam

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Japan Center for a Sustainable Environment and Society (JACSES)
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Today, 128 organizations from more than 39 countries submitted a petition to call upon the Japan Bank for International Cooperation (JBIC) to reverse its decision to provide financing for the Vung Ang 2 coal-fired power plant project in Vietnam. The petition also calls upon all companies involved to withdraw from the project.

On December 28, 2020, the publicly-funded financial institution JBIC signed a loan agreement for up to approximately US \$636 million (approx. 60 billion yen) for Vung Ang 2 (1). Private sector financial institutions believed to be participating in co-financing include MUFG Bank, Mizuho Bank, Sumitomo Mitsui Banking Corporation (SMBC), and Sumitomo Mitsui Trust Bank (SMTB). Mitsubishi Corporation and Chugoku Electric Power Company, are believed to be investing in the project (2).

Vung Ang 2 has been criticized internationally, and many problems have been pointed out including the project's inconsistency with climate change measures of the government and the companies and an inadequate environmental impact assessment.

It has also been revealed that JBIC's loan is going to be provided under a facility window for the purpose of "environmental preservation" (Growth Investment Facility - Facility Window for the Development of Quality Infrastructure for Environmental Preservation and Sustainable Growth) which has been criticized as a form of greenwashing.

The signatory organizations of the petition provided messages to the Japanese government and the companies involved such as "they should face the reality of the climate crisis", "the efforts of people around the world trying to solve climate change should not be wasted" and "net zero means no more fossil fuel funding".

Five years have already passed since the Paris Agreement was adopted. During these five years, climate science has advanced further and it has become widely known that there is no room for the construction of new coal-fired power plants to stop the climate crisis. We strongly protest that the Japanese government continues to provide public support for new coal-fired power generation projects even in 2021, when the implementation of the nationally determined contributions (NDCs) under the Paris Agreement begins, and call for the withdrawal of support for these projects.

Currently the Japan International Cooperation Agency (JICA) is also expected to support the construction of new coal-fired power plants, namely Matarbali (Phase 2) in Bangladesh and Indramayu in Indonesia. The government and JICA should clearly state that they will not provide public support for these projects.

Please see the petition for more detail.

Footnotes

1. JBIC, "Project Financing for Vung Ang 2 Coal-Fired Power Generation Project in Vietnam Supporting Power Development Project under the Growth Investment Facility", 29th Dec 2020, <https://www.jbic.go.jp/en/information/press/press-2020/1229-014147.html>
2. IJGlobal, "UPDATE: JBIC signs debt for Vietnam coal-fired", 5th Jan 2021
3. Climate Home News "Exclusive: Japan uses 'environmental' fund to finance Vietnamese coal plant", 19th Jan 2021, <https://www.climatechangenews.com/2021/01/19/exclusive-japan-uses-environmental-fund-finance-vietnamese-coal-plant/>

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