

March 13th 2018

Mr. Taro Aso, Minister of Finance

Mr. Akira Kondoh, Governor of Japan Bank for International Cooperation

Urgent Petition

JBIC should reject finance for Nghi Son 2 coal fired power plant project in Vietnam

Friends of the Earth Japan
Japan Center for a Sustainable Environment and Society (JACSES)
Kiko Network
350.org Japan
Mekong Watch

Japan Bank for International Cooperation (hereafter, JBIC) has been considering financing Nghi Son 2 coal fired power plant project since February 6th 2018 (the project is to build two 600 MW supercritical coal fired power plants, with Marubeni and KEPCO(Korea Electric Power Corporation) as equal sponsors¹).

It is clear that any new coal power plants cannot be built in order to meet the Paris Agreement's 1.5-2 degree goal. Moreover, this project deploys less efficient supercritical technology which is even against Japan's own policy of "only supporting ultrasuper critical coal technology".

We, undersigned organizations, demand JBIC reject financing this project and demand close scrutiny of the matters listed below.

1. Supporting coal fired power plants is not compatible with the Paris Agreement

The UN Environmental Program stated in its Emission Gap Report 2017 that "[a]voiding building new coal-fired power plants and phasing out existing ones is crucial to closing the emissions gap²". It is crystal clear that any new coal power plants cannot be built to meet the Paris goal.

2. Supporting supercritical technology is against Japanese Government policy

The Japanese Government set a policy "to support only ultra-super critical technology, a world most advanced technology". This project deploys sub-standard supercritical technology, which is therefore against Japan's own policy.³

3. It worsens Vietnamese air pollution

It is estimated that 4300 premature deaths in Vietnam are attributable to air pollution due to coal fired power plants in 2011⁴. According to Harvard University, the premature death rate will reach around 20,000 in 2030, 5 times more compared to that of 2011⁵.

On the other hand, the estimated emission intensity of Nghi Son 2 coal fired power plant is much more intense than that of coal fired power plants in Japan (see the table). Nghi Son 2 uses outdated technology which would significantly pollute the local environment and contribute to a loss of life and health.

¹ Japan Bank for International Cooperation, <https://www.jbic.go.jp/ja/business-areas/environment/projects/page.html?ID=60385&lang=ja>

² UN Environment Program *Emission Gap Report 2017*, https://wedocs.unep.org/bitstream/handle/20.500.11822/22070/EGR_2017.pdf

³ Minutes of briefing by Minister of Environment, 30th Jan 2018, <http://www.env.go.jp/annai/kaiken/h30/0130.html>

⁴ Shannon Koplitz, Daniel Jacob, Melissa Sulprizio, Lauri Myllyvirta, and Colleen Reid, "Burden of disease from rising coal emissions in Asia", *Environ. Sci. Technol.*, 2017, 51 (3), pp 1467–1476.

⁵ *Ibid.*

Table : Comparison of technology used for Nghi Son 2 and coal fired power plant in Japan

	Nghi Son 2 ⁶	Isogo 2 ⁷	Isogo 1	Hekinan 5
Location	Vietnam	Japan		
Capacity (MW)	600×2	600	600	1000
Operation start	2019 (Expected)	2009	2002	2002
Efficiency	SC	USC	USC	USC
SOx (ppm)	200	10	20	25
NOx (ppm)	50	13	20	15
PM (mg/Nm ³)	50	5	10	5

4. Possible defects in Environmental and Social Impact Assessment (ESIA)

According to Article 20 of the Vietnamese Environmental Protection Law of 2014, “Project owners must repeat the report on the environment impact assessment when: a) The project is not executed within a period of 24 months as from the date on which the decision on approving the report on environmental impact assessment is made;”⁸. JBIC refers to the ESIA which was conducted in February 2015 which was approved on March 4th 2015⁹. Therefore, at least 3 years has already passed since the ESIA was conducted. A local NGO has pointed out that the project owners need to repeat the report on environmental impact assessment according to the law.

The ESIA presently does not take into account the cumulative impacts of the other projects in the area. Nghi Son 2 is located within an area which includes another coal-fired power station as well as the Nghi Son oil refinery and petrochemical project. These other projects are not considered in the context of Nghi Son 2’s emissions or the strain on the local population and environment.

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⁶ Telephone interview with JBIC by FoE Japan on Feb 16th 2018,

⁷ For Isogo 1 and 2, see Annual report of J-Power, 2009. For Hekinan 5, See CCT Journal 1st issue (Japan Coal Energy Center, May 2002)

⁸ “Project owners must repeat the report on the environment impact assessment when:

a) The project is not executed within a period of 24 months as from the date on which the decision on approving the report on environmental impact assessment is made;” Law on Environmental Protection 2014, No 55/2014/QH13

⁹ Investment license was issued June 2017 and Power Purchase Agreement was concluded Nov 2017 <https://www.marketforces.org.au/research/vietnam/nghi-son-2/>