

June 4, 2024

**Joint Statement:  
NGOs strongly condemn decision by Japan Bank for International Cooperation (JBIC) to  
finance Woodside Energy, the Australian gas extraction giant  
– Over USD 28 billion has been financed for fossil fuel projects since the G7 Elmau  
Commitment –**

Japan Center for a Sustainable Environment and Society (JACSES)  
Friends of the Earth Japan  
Mekong Watch  
Kiko Network  
Market Forces  
Oil Change International  
Solutions for Climate Australia

On May 30, 2024, the Japan Bank for International Cooperation (JBIC), a public financial institution fully owned by the Government of Japan, announced that they made a decision to finance a subsidiary of Woodside Energy Group Ltd (Woodside), one of the major gas extraction companies in Australia. This finance will support the Scarborough gas field development project, which is under development in the offshore area of the northwest coast of the Pilbara region in Western Australia (\*1). Following this announcement, we, environmental NGOs, strongly condemn the decision by JBIC to support Woodside and urge to cancel the decision for the following reasons:

**1. JBIC's financing is not aligned with the 1.5 degree goals of the Paris Agreement, and in addition, undermines sound private-sector corporate governance by financing Woodside's gas expansion strategy, which the majority of Woodside's shareholders rejected.**

The International Energy Agency (IEA) in its report in 2023 titled "Net Zero Roadmap: A Global Pathway to Keep the 1.5 °C Goal in Reach" (\*2), reiterated its conclusion in its previous 2021 report that in order to achieve net-zero greenhouse gas emissions by 2050, there is no room for new coal, oil or natural gas projects. Therefore the currently planned Scarborough gas field development project is not aligned with the 1.5 degree goals of the Paris Agreement. At Woodside's Annual General Meeting on April 24, 2024, 58% of shareholders voted against the company's climate transition plan, deeming it insufficient (\*3). A large pension fund criticised the company's strategy, particularly developing new gas field is not aligning with the Paris Agreement (\*4). Accordingly, JBIC's financing decision which enables Woodside's gas expansion strategy that majority of shareholders have rejected therefore undermines sound corporate governance and shareholder's participation.

**2. JBIC's financing violates the commitments made in the G7 Elmau Commitment.**

In the G7 Elmau Communiqué, to which the Japanese government has committed, it is stated to “commit to end new direct public support for the international unabated fossil fuel energy sector by the end of 2022, except in limited circumstances clearly defined by each country consistent with a 1.5°C warming limit and the goals of the Paris Agreement.” (\*5). Therefore, in applying the exception clause to the project, the energy policy of the recipient country, Australia, must be consistent with the 1.5 degree goals of the Paris Agreement. However, Climate Action Tracker, which analyses climate policies in various countries, reveals that Australia’s policies are not aligned with the 1.5 degree goals (\*6). Therefore, the support by JBIC for this project would violate the G7 Elmau commitment.

On March 26, 2024, JBIC also signed a financing agreement with JERA, one of Japan's major electric power companies, for the Scarborough gas field development project. Including this financing for Woodside, JBIC has made financing decisions for six fossil fuel projects since 2023, with the total amount exceeding USD 28 billion.

### **3: The "Free, Prior, and Informed Consent (FPIC)" of affected Indigenous Peoples has not been secured, thus this financing violates JBIC’s Guidelines.**

Regarding the Scarborough gas field development project, FPIC with the affected Indigenous peoples has not been secured. Ms. Raelene Cooper, one of the Traditional Custodians in the Pilbara region, argued that the permission granted by the National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA) for the marine seismic survey was illegal, and Cooper filed a lawsuit against NOPSEMA and Woodside to the Federal Court of Australia on August 17, 2023 (\*7). On September 28, 2023, Cooper won the lawsuit, leading to the withdrawal of the permission for the marine seismic survey (\*8). However, Woodside resubmitted the Environmental Plan (EP) for the marine seismic survey to NOPSEMA on October 19, 2023 (\*9), and it was approved by NOPSEMA on December 1, 2023 (\*10).

However, Cooper pointed out that between the court ruling on September 28, 2023, and the resubmission on October 19, 2023, the company had held only one meeting with her, indicating that adequate consultation had not been conducted (\*11). Additionally, “Burrup and Maitland Industrial Estates Agreement” signed in 2003 among the State of Western Australia, the Western Australian Land Authority and Murujuga Aboriginal Corporation (MAC) which is a group of indigenous people in the Pilbara region, forbids MAC to “lodge or cause to be lodged any objection to development proposals intended to occur on land within the Industrial Estate” (\*12). Thus, the affected group of indigenous peoples cannot give or withhold FPIC to the Scarborough gas field development project. Securing FPIC is mentioned as a requirement in JBIC’s “Guidelines for Confirmation of Environmental and Social Considerations”. The decisions to support this project would thus violate the Guidelines.

**Therefore, we urge JBIC to cancel the decision to provide financing for Woodside.**

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**Note:**

\*1: [https://www.jbic.go.jp/en/information/press/press-2024/press\\_00023.html](https://www.jbic.go.jp/en/information/press/press-2024/press_00023.html)

\*2:

<https://www.iea.org/reports/net-zero-roadmap-a-global-pathway-to-keep-the-15-0c-goal-in-reach>

\*3:

<https://www.reuters.com/sustainability/climate-energy/woodside-activist-investors-prepare-hotly-contested-climate-battle-agm-2024-04-23/>

\*4:

<https://www.theguardian.com/australia-news/2024/apr/22/major-investors-leading-push-against-woodsides-climate-plans-ahead-of-agm>

\*5: <https://www.mofa.go.jp/mofaj/files/100364051.pdf>

\*6: <https://climateactiontracker.org/countries/australia/>

\*7:

<https://www.edo.org.au/2023/09/14/im-related-traditional-custodian-granted-injunction-against-woodsides-seismic-testing/>

\*8: <https://www.judgments.fedcourt.gov.au/judgments/Judgments/fca/single/2023/2023fca1158>

\*9:

<https://www.abc.net.au/news/2023-11-09/woodside-renews-application-seismic-testing-pilbara/103084128>

\*10: [https://info.nopsema.gov.au/activities/461/show\\_public](https://info.nopsema.gov.au/activities/461/show_public)

\*11:

<https://www.abc.net.au/news/2023-11-09/woodside-renews-application-seismic-testing-pilbara/103084128>

\*12:

<https://www.wa.gov.au/system/files/2019-06/Burrup%20and%20Maitland%20Industrial%20Estates%20Agreement.pdf>