

Mr. Shinzo Abe, Prime Minister of Japan
Mr. Taro Aso, Minister of Finance
Mr. Akira Kondoh, Governor of Japan Bank for International Cooperation

International Petition :
JBIC should revoke the finance for Nghi Son 2 coal fired power plant!

27th April 2018

We, the undersigned 61 organizations from 23 countries demand that the Japan Bank for International Cooperation (hereafter, JBIC) revoke the finance for Nghi Son 2 Coal fired power plant project in Vietnam¹.

1. It is against Paris Agreement

Adopted in 2015, Paris Agreement set a long-term goal of keeping the increase in global average temperature to well below 2°C above pre-industrial levels, and to pursue efforts to limit the temperature increase to 1.5°C. The Agreement came into force in 2016 and was ratified by the Japanese government. Catastrophic climate impact is already being felt especially in developing countries and drastic cut of greenhouse gas emission is necessary. UN Environmental Programme has reported that any new build of coal fired power plant is incompatible with Paris Agreement Goal².

2. Supporting supercritical technology is against Japanese Government policy

In January 2018, the Japanese Government set a policy “to support only ultra-super critical technology, a world-wide most advanced technology, taking into account OECD rules and recipient country’s energy policy and climate change policy”³.

However, the said project uses sub-standard supercritical technology, which is therefore against Japan’s own policy.

JBIC insisted and confirmed that the EIA for the project was approved by the Vietnamese government in 2015, which meets the requirement of “the transitional arrangement of OECD coal sector understanding.”⁴

However, JBIC received the EIA for the project on 16th June 2017. OECD rules require “a request for proposals was issued prior to 1 January 2017, *on the basis of a fully completed technical feasibility study and environmental and social impact assessment*, and provided that an application for export credit support for any such project is submitted and acted upon expeditiously.”

¹ JBIC “Project Finance and Political Risk Guarantee for Nghi Son 2 Coal-Fired Power Generation Project in the Republic of Vietnam” 13th April 2018, <https://www.jbic.go.jp/en/information/press/press-2018/0413-010921.html>

² UN Environmental Programme “The Emissions Gap Report 2017 A UN Environment Synthesis Report” https://wedocs.unep.org/bitstream/handle/20.500.11822/22070/EGR_2017.pdf

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

⁴ OECD, “Sector Understanding On Export Credits For Coal-Fired Electricity Generation Projects”, 2015/11/27

Therefore, the loan request was not properly processed according to OECD rules. As such, financing the project is against Japanese government policy which requires that JBIC finance takes into account OECD rules.

3. An additional impact assessment should be completed and disclosed

JBIC refers to the EIA which was completed in February 2015 and was approved on 4th March 2015. This EIA presently does not take into account the cumulative impacts of the other projects in the area, such as Nghi Son Oil refinery.

According to JBIC, there are such studies conducted by the operator. However, JBIC has claimed that these studies are not to be disclosed to the public.

JBIC's own Guidelines state that "In addition to the direct and immediate impact of projects, *derivative, secondary, and cumulative impact and impact of associated facilities are also to be examined and investigated to a reasonable extent.*"⁵ Therefore, the said studies conducted by the operator should be included in the EIA and thus disclosed. Also, the EIA itself should be repeated as it was conducted almost 3 years ago.

4. Timing of disclosure of the EIA and the Approval of EIA was not proper

According to JBIC, JBIC received the EIA and confirmation of its approval from the applicant on 16th June 2017 and 12th May 2017 respectively⁶. JBIC's guideline states "JBIC discloses information in principle as set out below, depending on the nature of the project. Such disclosure is made, in principle, on JBIC's website *as soon as it obtains the information.*"

However, JBIC only disclosed the EIA on 6th February 2018. It is a clear violation of the guidelines that the EIA and Approval of the EIA had not been disclosed for more than half a year since JBIC received them. JBIC should explain why the disclosure was delayed for such long time.

5. Air pollution and potential in renewable energy development in Vietnam

In Vietnam, serious air pollution has been reported and attributed to coal fired power plants⁶. Scientific reports concluded correlation between premature death due to air pollution, and it is estimated that by 2030, Vietnam will be the one of the most polluted country in ASEAN and the premature death rate due to air pollution is estimated to reach approximately 20,000 in 2030 per year⁷.

At the same time, development of renewable energy in Vietnam is accelerated in these days. According to "Vietnam Energy Outlook 2017" which was conducted by The Ministry of Industry and

⁵ Telephone interview by FoE Japan to JBIC, 6th April 2018

⁶ "Hanoi air is unsafe most of the time, coal plants blamed" VN Express, 9th Sep 2017 <https://e.vnexpress.net/news/news/hanoi-air-is-unsafe-most-of-the-time-coal-plants-blamed-3638973.html>

⁷ S. Koplitz et. "Burden of Disease from Rising Coal-Fired Power Plant Emissions in Southeast Asia", *Environ. Sci. Technol.* 2017, 51, 1467–1476 <http://pubs.acs.org/doi/pdf/10.1021/acs.est.6b03731>

Trade (MOIT) of Vietnam in collaboration with the Danish Energy Agency (DEA), there is the potential to generate up to 40 GW of electricity from solar sources, 12 GW from wind power, and 3.7 GW from biomass by 2035⁸. In Bac Lieu, a coal fired power plant project on which Japan International Cooperation Agency conducted a preparatory study was scrapped due to the air pollution concerns and switched to wind power development⁹.

It is necessary to secure energy access as part of human rights and for life, however, energy development must take into account the people's voice, environmental impacts, climate change and sustainability.

We have demanded that JBIC not finance Nghi Son 2 due to above mentioned reasons. Despite this, JBIC proceeded with signing the loan agreement, and did not feel that it needs to be accountable to concerns raised by civil society and its own guidelines.

We reiterate our demand that JBIC should cancel the finance for Nghi Son 2 coal fired power plant immediately.

(as of 27th April 2018) : 61 groups from 23 countries

International/Regional

Asian Peoples Movement on Debt and Development (Asia)

NGO Forum on ADB (Asia)

BankTrack (Europe)

Friend of the Earth International (International)

Natural Resources Defense Council (International/US)

350.org East Asia

Australia

Market Forces

FoE Australia

Bangladesh

CLEAN (Coastal Livelihood and Environmental Action Network)

National Committee for Saving the Sundarbans (NCSS)

Cambodia

NGO Forum on Cambodia

Denmark

NOAH Friends of the Earth Denmark

France

⁸ "MoIT & Danish energy ministry release Vietnam Energy Outlook Report" Vietnam Economic Times, 21st Sep 2017, <http://vneconomictimes.com/article/vietnam-today/moit-danish-energy-ministry-release-vietnam-energy-outlook-report>

⁹ "Vietnam province scraps coal plant over environmental concerns", VN Express, 26th Sep 2016, <https://e.vnexpress.net/news/news/vietnam-province-scraps-coal-plant-over-environmental-concerns-3476051.html>

Les Amis de la Terre

Germany

urgewald

Ghana

Friends of the Earth Ghana

India

Centre for Financial Accountability

Public Finance Public Accountability Collective

Indian Social Action Forum

Environics Trust

Indonesia

WALHI - Friend of The Earth Indonesia

Aksi! for gender, social and ecological justice

WALHI West Java

Japan

Kiko Network

Save the Earth Action 97

Tatebayashi Citizens' network for Climate-Change

Citizens' Alliance for Saving the Atmosphere and the Earth (CASA)

People concerned by Sodegaura coal fired power plant

Study group for ideal policies for Citizen of Sodegaura

Japan Center for a Sustainable Environment and Society (JACSES)

Mekong Watch

FoE Japan

350.org Japan

Femin

Mongolia

consumer foundation

Myanmar

Earth Rights International

Nepal

Rural Reconstruction Nepal (RRN)

Netherlands

Milieudefensie - Friends of the Earth Netherlands

Both ENDS

Palestine

PENGON- FoE Palestine

Philippines

Center for Energy, Ecology and Development (CEED)
Philippines and Sanlakas
WomanHealth Philippines
350 Pilipinas
Institute for Climate and Sustainable Cities

Poland

Polski Klub Ekologiczny -FoE Poland

Sweden

Jordens Vänner

Switzerland

Pro Natura - Friends of the Earth Switzerland

Thailand

Climate Watch Thailand

UK

Corner House
FoE Scotland

USA

Friends of the Earth U.S.
Oil Change International

Vietnam

Centre for Sustainable Development of Water resources and Adaptation to Climate change (CEWAREC)
Center for Water Resources Conservation and Development (WARECOD)
Green Innovation and Development Centre (GreenID)
World Wide Fund For Nature Vietnam (WWF Vietnam)
Center of Hands-on Actions and Networking for Growth and Environment (Change)
Center for Media in Educating Community (MEC)
Law and Policy of Sustainable Development Research Center (LPSD)
Vietnam Non Communicable Disease Prevention Alliance (NCDs-VN)
Research and Training Centre for Community Development (RTCCD)

* * *

Contact :
Friends of the Earth Japan
1-21-9, Komone, Itabashi, Tokyo
173-0037

tel: +81-3-6909-5983 fax: +81-3-6909-5986