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Joint Statement:
Japanese NGOs again call on the government to end financing for ALL overseas coal power projects after media report on upcoming revisions to Infrastructure System Export Strategy

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On July 3, Japanese media reported that the government is considering tightening its policies to provide government support for overseas coal-fired power plants. As environmental NGOs, we have been calling upon the government to stop supporting all coal-fired power projects overseas in the upcoming revision of principles for the Infrastructure System Export Strategy.¹ **We are deeply concerned about current direction of the policy review, and again call upon the government to bring a complete end to its official support for coal-fired power projects overseas, including those already under consideration.**

Media reported that the Japanese government is considering revisions to the policy to say that in principle it will not support exports of “inefficient” coal-fired power plants that emit large amounts of carbon dioxide (CO₂). However, the current policy (which includes four conditions for government assistance for such exports in Japan’s Strategic Energy Plan) already requires that to get government support, power-generation facilities must be, “equivalent to at least the world’s most advanced USC [ultra supercritical] power plants, in principle.” We assert that if the revised policy still accepts certain technologies or conditions, it will simply be a change of wording and make no real difference.

The media also stated that the Japanese government intends to show a positive stance on reducing greenhouse gases emissions by tightening the conditions for support, applying even to highly efficient coal-fired power plants with low carbon emissions. However, the current policies of the Japanese government have been criticized domestically and internationally since it is obvious that the building of new coal-fired power plants, even with highly efficient technologies, is inconsistent with the long-term goals of the Paris Agreement. As long as the government continues to say that it will support coal power with the loophole of “highly efficient” plants, Japan will not shake its reputation for having a weak commitment to the Paris goals.

¹ Joint letter on principles for the revision of Japan’s infrastructure system export strategy and public assistance for coal-fired power projects overseas <https://sekitan.jp/jbic/en/2020/04/24/4006>

The media also indicated that the Japanese government intends to continue with projects that are already under consideration. We believe this refers to three projects: (1) Vung Ang 2 in Vietnam, which the Japan Bank for International Cooperation (JBIC) and the Nippon Export and Investment Insurance (NEXI) are considering financing/insuring, and (2) Indramayu in Indonesia, and (3) Matarbari Phase 2 in Bangladesh, both for which the Japan International Cooperation Agency (JICA) is expected to receive requests for support. These three are the only overseas coal power projects Japan is still considering. Excluding them from the upcoming policy revisions undermines the very meaning of policy review. Moreover, these three projects are already facing serious problems, including inconsistency with the Paris Agreement's long-term goals, an excess supply of electricity in the host countries, the lack of economic justification due to the ever-falling costs of renewable energy, environmental pollution at the proposed sites, and human rights violations affecting local residents. For these and more reasons, the Japanese government should make the decision not to support these projects.

In early July 2020, the Cabinet is expected to adopt the principles for the next version of Japan's Infrastructure System Export Strategy. We call upon the government to adopt policies, without exceptions, to stop providing government assistance for any coal-fired power plants overseas, including projects already under consideration.

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