We, the undersigned 128 organizations from 39 countries 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. We also call 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, Chugoku Electric Power Company, and Korea Electric Power Corporation are believed to be investing in the project (2).

Vung Ang 2 has been the target of international criticism, which has raised many problems with the project. We strongly protest JBIC’s decision to support this project despite the fact that it has still failed to show accountability for the many concerns that have been raised, including the project’s conflict with measures to fight climate change, and a deficient environmental impact assessment.

**Accelerating climate change**

Japan has signed the Paris Agreement, which requires efforts to limit the global average temperature increase to 1.5°C relative to pre-industrial levels. This goal will be impossible to achieve if new coal-fired power plants are built. It is not acceptable for the Vung Ang 2 project to continue, considering the context that the Paris Agreement target of 1.5°C cannot be achieved unless coal-fired power generation is phased out worldwide by 2040, including the retirement of existing coal power plants (3).

Vietnam is one of the world’s most vulnerable countries to the impacts of climate change. The global average temperature has already increased by about 1°C. In October 2020, during the course of a single month, four typhoons struck central Vietnam, where the planned site for Vung Ang 2 is located, causing significant damage. As the climate crisis intensifies worldwide, the construction of a new coal-fired power plant poses greater risks not only to the people of Vietnam but to everyone in the world, particularly the vulnerable in the global south.
Coincidentally, in the same month of October, Japanese Prime Minister Yoshihide Suga declared Japan’s goal of carbon neutrality (net zero greenhouse gas emissions) by 2050. It is a serious double standard if a country declares a commitment to climate action while still exporting coal-fired power plants, undermining its sincerity.

Meanwhile, MUFG Bank, Mizuho Bank, SMBC, and SMTB are believed to have made co-financing decisions for the project along with JBIC, even though they have adopted policies, in principle, of not providing investment and financing for new coal-fired power plants; each banking group has also endorsed the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and the UN Principles for Responsible Banking, etc. Moreover, Mitsubishi Corporation, an investor in the project, declared in October 2019 that, in principle, it will no longer engage in the development of new coal-fired power generation. As companies declare their commitments to address the climate crisis and disclose the relevant information, there is a growing movement of shareholders, investors, and customers to assess their actions, but the continued promotion of Vung Ang 2 would expose the fact that each company’s real actions are in contradiction with their policies. Also, considering the fact that overseas institutional investors have expressed their concerns about Vung Ang 2, these companies will inevitably increase their reputational risk if they continue supporting the project.

Around the world, there is talk about a “green recovery” with strategies to recover from the COVID-19 pandemic that does not conflict with climate change countermeasures, and we can see examples in other countries where assistance is not offered unconditionally to industries that have high GHG emissions. In this context, any provision of public funds to a project that will intensify climate change is moving in the opposite direction from the global trend to seek a green recovery.

Causing more pollution
It is also known that the concentrations of air pollutant emissions from Vung Ang 2 would be several times higher than emissions from power plants built in Japan. Analysis by the Centre for Research on Energy and Clean Air showed that projected emissions from this plant if built will be five to ten times higher than Japanese standards (4).

Furthermore, major environmental pollution incidents have already occurred near the planned site of Vung Ang 2. The release of pollutants in 2016 from a steel plant operated by Formosa Ha Tinh Steel Corporation has been described as Vietnam’s worst environmental disaster, polluting up to 200 kilometers of coastline and having a devastating impact on fisheries. Also, the Vung Ang 1 coal-fired power plant is already operating near the planned site of Vung Ang 2, having received financing in 2011 from JBIC and SMBC, and there have been reports of damage from dust and negative health impacts from the plant (5).

The Environmental Law Alliance Worldwide (ELAW) analyzed the environmental and social impact assessment (ESIA) prepared by Vung Ang 2 proponents, and identified numerous problems (6), but the concerns raised have still not been addressed.

Citizens will pay the price of this project
Vietnam already has an electrification rate above 99%, and the price of renewable energy there is lower than coal power. In September 2020, the Institute for Energy Economics and Financial Analysis (IEEFA), a US think tank, identified financial risks for the state utility Electricity of Vietnam (EVN), which would purchase the electricity (7). One risk factor is the electricity purchase contracts that would require EVN to guarantee power purchases at fixed prices from independent power producers (IPP) that generate electricity from coal. As a means of limiting its debt risk EVN might be able to raise electricity rates, but citizens forced to bear the
burden would inevitably be opposed; thus, it has been pointed out that this means should be revisited, in the light of the current socio-political situation in Vietnam and the perspective of an economic recovery from the impacts of COVID-19. A pre-feasibility assessment by a Korean government think tank found that the project represented a loss of 158 million dollars (approx. 17 billion yen) (8), and if the loss were to be realized, or if electricity prices had to be raised, the ultimate burden would fall on the people of Vietnam.

The government of Japan should listen sincerely to the voices of citizens calling for climate action and a coal exit, and withdraw public support from the Vung Ang 2 project. We also call for clear declarations that no public funds will be used to support new coal power plant construction projects that Japan International Cooperation Agency (JICA) is considering, including Matarbari Phase 2 (Bangladesh) and Indramayu (Indonesia).

In closing, we again call upon the Japan Bank for International Cooperation (JBIC) to reverse its decision to support Vung Ang 2, and for the companies and banks involved to withdraw from the project.

Footnotes:
2. IJGlobal, “UPDATE: JBIC signs debt for Vietnam coal-fired”, 05 Jan 2021

End

cc:
Katsunobu Kato, Chief Cabinet Secretary
Toshimitsu Motegi, Minister of Foreign Affairs
Shinjiro Koizumi, Minister of the Environment
Wataru Ito, State Minister of Finance
Kenji Nakanishi, State Minister of Finance
Yasumasa Nagasaka, State Minister of Economy, Trade and Industry
Kiyoshi Ejima, State Minister of Economy, Trade and Industry
Eiichiro Washio, State Minister of Foreign Affairs
Takashi Uto, State Minister of Foreign Affairs
Hiroyoshi Sasakawa, State Minister of the Environment
Noriko Horiuchi, State Minister of the Environment
Shinichi Kitaoka, President, Japan International Cooperation Agency

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

Organizational Sign-ons:

**Regional / International**
Asian People’s Movement on Debt and Development
Amigos de la Tierra América Latina y el Caribe (ATALC)
Corporate Europe Observatory
Fair Finance International
Friends of the Earth Europe
Friends of the Earth International
Human Rights Watch
Market Forces
Natural Resources Defense Council (NRDC)
NGO Forum on ADB
Oxfam International
Socio-Ecological Union International
350.org Asia

**Japan**
福島老朽原発を考える会
横須賀火力発電所建設を考える会
福島原発30キロ圏ひとの会
green TEA
ゼロエミッション東京
Fridays For Future Hiroshima
さよなら原発小田原
ふえみん婦人民主クラブ
Fridays For Future Shiga
FridaysForFuture 太宰府
パワーシフト福岡
ノーニュークス・アジアフォーラム・ジャパン
Fridays For Future Furano
Fridays For Future Sendai
Fridays For Future Yamagata
ブルーアースネット広島
Fridays For Future Saitama
350Eigo
Fridays For Future Niigata
350 中国ネットワーク
fridaysforfurure 熊本
Fridays for Future Kyoto
バイオダイバーシティ・インフォメーション・ボックス
地球環境市民会議（CASA）
認定 NPO 法人ヒューマンライツ・ナウ
FridaysForFuture saroma
エネルギーシフトを実現するこまえの会
Fridays For Future Osaka
特定非営利活動法人ラムサール・ネットワーク日本
日本国際ボランティアセンター
Fridays For Future Kobe
袖ヶ浦市民が望む政策研究会
一般社団法人大磯エネシフト
FridaysForFuture Sapporo
FridaysForFutureIWATE
imageMILL

Australia
The Sunrise Project

Bangladesh
National Committee for Savingythe Sundarbans (NCSS)
Women with Disabilities Development Foundation (WDDF)

Bosnia and Herzegovina
Centar za životnu sredinu/ Friends of the Earth Bosnia and Herzegovina

Brazil
Amigxs da Terra Brasil (FoE Brazil)
350 Brazil

Canada
Friends of the Earth Canada

Colombia
Censat Agua Viva

Denmark
VedvarendeEnergi

**France**
Les Amis de la Terre / Friends of the Earth France
Reclaim Finance

**Finland**
Friends of the Earth Finland

**Georgia**
The Greens Movement of Georgia

**Germany**
Urgewald
Leave it in the Ground Initiative (LINGO)

**Ghana**
AbibiNsroma Foundation
Alliance for Empowering Rural Communities
Abibiman Foundation

**Hungary**
Clean Air Action Group

**India**
Environics Trust

**Indonesia**
WALHI Jawa Barat
WALHI Indonesia
AEER
350.org Indonesia
The PRAKARSA

**Luxembourg**
Mouvement Ecologique

**Mozambique**
Justiça Ambiental (Friends of the Earth Mozambique)

**Myanmar**
Paung Ku
Dawei Development Association - DDA
Southern Youth Development Organization
Land in Our Hands (LIOH)

**Nepal**
National Campaign for Sustainable Development Nepal
Netherlands
Both ENDS
Project HEARD
BankTrack
Recourse

Norway
The Karibu Foundation

Palestine
PENGON

Pakistan
Pakistan Fisherfolk Forum

Papua New Guinea
PNG Education Advocacy Network

Philippines
Legal Rights and Natural Resources Center - Friends of the Earth Philippines
The Reality of Aid - Asia Pacific
Philippine Movement for Climate Justice
Kalikasan People's Network for the Environment (Kalikasan PNE)
Center for Environmental Concerns

Republic of Korea
Solutions for our climate(SFOC)
The Korea Center for Sustainable Development(KCSD)
Korea Federation for Environmental Movement

Russia
Rivers without Boundaries
Biodiversity Conservation Center

Solomon Islands
Coalition for Education Solomon Islands

South Africa
groundWork, Friends of the Earth South Africa
The New Environmental Justice Solutions
Fund Our Future

Sri Lanka
Centre for Environmental Justice

Sweden
Swedwatch
Jordens Vänner / Friends of the Earth Sweden

**Switzerland**
Zukunft statt Kohle (Future instead of coal) Switzerland
fossil-free.ch Switzerland
Klimastadt Zürich

**Taiwan**
Mom Loves Taiwan Association
350 Taiwan

**Togo**
Les Amis de la Terre Togo
Centre for Environmental Justice Togo

**UK**
Weald Action Group
Biofuelwatch (UK/USA)
Friends of the Earth Scotland
Christian Aid

**USA**
Oil Change International
The Sunrise Project
Friends of the Earth United States

**Vietnam**
SCODE
350 Vietnam

**Zimbabwe**
Africa Coal Network