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Joint Statement: NGOs urge JERA to withdraw from Barossa gas project - The Japan Bank for International Cooperation (JBIC) and Japanese private banks should also not be involved

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On December 8, JERA, a Japanese major electric power company owned by Tokyo Electric Power Company and Chubu Electric Power Company announced its acquisition of a 12.5% stake in Barossa gas field in Australia [1]. We, environmental NGOs urge JERA to withdraw from the Barossa project considering that the project is not consistent with 1.5 degree Celsius goals of the Paris Agreement, and that it has not yet obtained Free, Prior and Informed Consent (FPIC) from indigenous peoples, which is required in the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP).

In the report, "Net Zero by 2050, A Roadmap for the Global Energy Sector" [2], the International Energy Agency (IEA) calls for an immediate end to financing new fossil fuel development projects to achieve net-zero greenhouse gas emissions by 2050. Therefore, there is no room for new gas fields like Barossa to be developed.

JERA sets "JERA Zero CO2 Emissions 2050" and promises to take on the challenge of achieving net zero emissions from JERA's operations in Japan and overseas in 2050. The carbon capture and storage (CCS) using the nearby Bayu-Undan gas field is also being considered. However, Institute for Energy Economics & Financial Analysis (IEEFA) points out that the Barossa field would produce the most carbon intensive gas in Australia [3], and also estimates that the Bayu-Undan CCS project would reduce only about 30% of emissions from Barossa even if it were successful [4]. Therefore, the Barossa project is likely to significantly hinder the achievement of the JERA's zero emission target. Like coal, gas faces the risk of stranded assets, and that would happen quicker than coal [5].

In addition, the proposed pipeline to transport the gas from the Barossa field comes within only six kilometres of the Tiwi Islands, where the Tiwi People, who are indigenous to Australia, live. The potential impact of the project on the Tiwi communities including the marine environment, livelihood, and culture are concerned. Free, Prior and Informed Consent (FPIC) should be obtained from the communities, however, it appears that the Tiwi people have not been meaningfully consulted at all. The Barossa project is quite problematic also from a human-rights perspective.

Antonia Burke, Dardawunga Impajimawu, Tiwi Islands resident said, "Nobody told any of this that this was happening. We have not been consulted. There are going to be huge risks if this does go ahead without any consultation with the Tiwi people." Marie Munkara, Jikilaruwu Traditional Owner said, "JBIC and the Japanese Government must listen to us and refuse to

finance the Barossa gas project.” Many other Tiwi people are also raising their voices against the project.

The Japan Bank for International Cooperation (JBIC), a public financial institution fully owned by the Government of Japan, is currently considering whether to provide support for the Barossa project, together with Japanese private banks. Non-life insurance companies are also potentially involved in the project. Not obtaining the FPIC for affected indigenous peoples violates the JBIC Guidelines for Confirmation of Environmental and Social Considerations and the Equator Principles, which private banks should comply with when providing financing. Supporting the Barossa project is also inconsistent with commitments made by some of the private banks to achieve net zero by 2050 [6]. Therefore, we urge JERA to withdraw from the project, and JBIC, private banks and non-life insurance companies not to be involved in the project either.

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[1] https://www.jera.co.jp/english/information/20211208_809

[2] <https://www.iea.org/reports/net-zero-by-2050>

[3]

https://ieefa.org/wp-content/uploads/2021/03/Should-Santos-Proposed-Barossa-Gas-Backfill-for-the-Darwin-LNG-Facility-Proceed-to-Development_March-2021.pdf

[4]

https://ieefa.org/wp-content/uploads/2021/10/How-To-Save-the-Barossa-Project-From-Itself_October-2021_3.pdf

[5] <https://ieefa.org/stranded-asset-risks-for-gas-investments-climbing-quickly/>

[6] <https://www.unepfi.org/net-zero-banking/members/>