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[Statement]
**NGOs urge JBIC and private banks to drop the finance for Barossa
gas development project in Australia**

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On December 27, 2021, the Japan Bank for International Cooperation (JBIC), a public financial institution fully owned by the Government of Japan, announced that they made a decision on December 24 to provide up to US\$346 million loan for the Barossa gas development project in Australia [1]. The loan is co-financed with private banks, bringing the total co-financing amount to US\$497 million. We, environmental NGOs strongly condemn JBIC and private banks' decision to finance the project. This project is not consistent with the 1.5 degree Celsius goal of the Paris Agreement and goes against the global effort to tackle climate change. In addition, it has not obtained Free, Prior and Informed Consent (FPIC) from the affected indigenous peoples, which is required in the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP).

In a report published in May 2021, "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. The need to accelerate the phase down of the use of all fossil fuels across the energy sector was also discussed at the 26th session of the Conference of the Parties (COP26) to the United Nations Framework Convention on Climate Change (UNFCCC), held in November 2021.

The Institute for Energy Economics & Financial Analysis (IEEFA) points out that the Barossa field would produce the most carbon intensive gas in Australia [4], and also estimates that it would reduce only about 30% of emissions from Barossa even if a carbon capture and storage (CCS) facility is installed [5]. Therefore, the project is likely to significantly hinder the financiers and the project developer from achieving their net-zero emission targets [6]. Like coal, gas facilities face the risk of stranded assets, and that would happen quicker than coal [7].

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. FPIC should be obtained from the communities, however, it appears that the Tiwi people have not been meaningfully consulted at all. The lack of FPIC violates the JBIC Guidelines for Confirmation of

Environmental and Social Considerations, and the Equator Principles, which is signed by private banks. 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.

We strongly urge JBIC and private banks to immediately drop their decision to finance the project. We also strongly urge the project developer, JERA (a joint venture between Tokyo Electric Power Company and Chubu Electric Power Company) to withdraw from the project.

Footnotes

[1] <https://www.jbic.go.jp/ja/information/press/press-2021/1227-015708.html> (in Japanese)

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

[3] https://www.jbic.go.jp/en/information/press/press-2021/pdf/1028-015365_2.pdf
<https://www.unepfi.org/net-zero-banking/members/>

[4]

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

[5]

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

[6] <https://www.jbic.go.jp/en/information/press/press-2021/1028-015365.html>

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

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