



PRESS RELEASE

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Japanese and International Civil Society Organizations say NO to Bank of Tokyo-Mitsubishi UFJ and JICA at Green Climate Fund

To access pictures from the action:

<https://drive.google.com/drive/folders/0BzOm8egPH8N8SVBoQU9uMkVFZG8?usp=sharing>

SONGDO, July 5, 2017 — Today, 8 Japanese NGOs and an international coalition of civil society groups urged the Green Climate Fund (GCF) Board to reject applications for accreditation from the Bank of Tokyo-Mitsubishi UFJ (BTMU) and Japan International Cooperation Agency (JICA).

In a [statement](#) delivered at the 17th Green Climate Fund (GCF) Board, Japanese groups cited BTMU and JICA's ongoing financial support for coal and extreme fossil fuel projects that undermine the goals of the Paris Agreement to limit global warming to well below 2 degrees Celsius. These projects include controversial coal-fired power plants in Vietnam and Indonesia that are the subject of ongoing opposition from community groups due to their impacts on local livelihoods and violations of human rights. Both BTMU and JICA's inadequate social and environmental protections for energy sector financing are cited as further justification for the rejection of their accreditation applications.

The statement was endorsed by more than 50 additional organizations and movements across Asia, expressed in an open letter to the GCF Board. In the letter, Asian organizations from more than a dozen countries echo the call for the GCF not to accredit these two institutions, stating that they are also witness to the devastating impacts of coal projects on communities and local ecosystems, as well as to the climate and the whole planet.

Alongside the civil society organizations' statement, activists held a protest action this morning in front of the GCF Headquarters in Songdo, Korea, to urge the GCF board to reject the accreditation applications. A group of CSO representatives and activists converged with signage that read, "Green Climate Fund: No to Fossil Fuel Funders" and "No to JICA and No to BTMU".

Lidy Nacpil, Coordinator - Asian Peoples Movement on Debt and Development (APMDD) and Active CSO observer to the GCF said, "JICA and BTMU's accreditation will send a signal that the GCF Board condones the continued expansion of coal-fired power and financing for fossil fuels globally. This conflicts with the Funds' vision to 'promote a paradigm shift to low-emission and climate-resilient development.' The accreditation of such institutions will be detrimental to the reputation of the GCF."



Shin Furuno, 350.org Japan Divestment Campaigner stated of GCF's application review: "The GCF has an opportunity to regain its integrity as an international institution tasked with financing the transition towards a zero carbon economy by rejecting the accreditation of institutions like JICA and Bank of Tokyo-Mitsubishi UFJ, which are major financiers of coal fired power and extreme fossil fuel expansion. At the very least, the GCF Board should require Accredited Entities to disclose their exposure to carbon assets and set clear metrics and targets to reduce portfolio emissions in line with the Paris Agreement."

Ayumi Fukakusa, Climate and Energy Campaigner from FoE Japan said, "The Indramayu coal fired power project in JICA's financing pipeline is in danger of breaching the human rights of local people and wrecking their livelihoods. By rejecting JICA's accreditation, the GCF can send a message that support for so-called 'clean-coal' is inadmissible."

The CSO statement to the GCF reiterates that JICA's support for so called "clean coal" is inconsistent with GCF objectives to catalyze 'a paradigm shift towards low-carbon and climate resilient development.' Similarly, civil society organisations note that BTMU's substantial support for extreme fossil fuel development, combined with abysmal opacity in the company's policies regarding fossil fuel finance, is incompatible with the GCF's role in combating climate change.

Between 2003-2017¹ JICA provided financing in the amount of \$USD3.7 billion for coal power plants in India, Vietnam and Bangladesh. Many of the projects JICA has funded face strong opposition from local communities, like the 1000MW Indramayu coal-fired power project in Indonesia, which is currently in JICA's financing pipeline.

BTMU's parent company Mitsubishi UFJ Financial Group (MUFG) provided an estimated USD\$9.57 billion in loans to extreme fossil fuel companies over a 3 year period during 2014-16². MUFG massively increased exposure to coal power even after the conclusion of the Paris Agreement, increasing their loans of USD\$845 million to coal power companies in 2015 to USD\$2.16 billion in 2016, representing a 156% increase in coal lending amidst serious social and environmental concerns. In March 2017, BTMU signed a finance agreement for the expansion of Vinh Tan 4 coal fired power plant in Vietnam, which will likely increase impacts on marine biodiversity and air pollution caused by the existing power plant³. In June 2016, BTMU agreed to finance the Batang coal fired power plant and the expansion of Tanjung Jati B coal fired power plant in March 2017 in Indonesia. Both projects are opposed by community groups due to their impacts on local livelihoods, marine ecosystems, human health, and violations of human rights.⁴⁵

¹ JACSES, List of Coal Power Plants funded by JBIC, NEXI and JICA (2003-2017)

² See at 4.

³ <http://dtinews.vn/en/news/021/49785/coal-power-plants-could-endanger-marine-protection-areas.html>

⁴ <http://www.foejapan.org/en/aid/160606.html>;

<http://www.jbic.go.jp/en/information/press/press-2016/0603-48595>

⁵ <http://www.foejapan.org/en/aid/170228.html>



While the coalition of civil society groups strongly rejected the accreditation of BTMU and JICA, they recommended at a minimum that the GCF Board should require both institutions to disclose their exposure to carbon-related assets, their investment policies to manage climate risk in line with the 1.5-2 degree warming scenario, and metrics and targets for decarbonizing their investment portfolios as recommended by the Task Force on Climate Related Financial Disclosures.

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