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Joint Statement

JBIC's Financed Emissions Rank 28th in the World: Ahead of COP31, We Call for a Mid-Term Reduction Plan That Confronts Japan's "Hidden Emissions Responsibility"

Friends of the Earth Japan
Japan Center for a Sustainable Environment and Society (JACSES)
Mekong Watch
Kiko Network

In its Integrated Report 2026 released in August, the Japan Bank for International Cooperation (JBIC) disclosed the greenhouse gas emissions of its loan and investment portfolio (financed emissions) for the first time. While the disclosure is a welcome and significant step, the figure it reveals, 236.5 million tonnes of CO2-equivalent, is enormous, exceeding the annual emissions of some oil-producing countries. Japan's climate policy discourse, as well as the Nationally Determined Contribution (NDC) it submits under the Paris Agreement, has so far covered only domestic emissions. This disclosure, made by JBIC itself, shows once again how large Japan's "hidden emissions responsibility" is: emissions that continue to be generated overseas through public finance.

Yet JBIC has still not disclosed a mid-term reduction plan, including a target for 2035, and has continued to expand its lending to overseas fossil fuel projects since 2025. We strongly urge JBIC and the Japanese government to develop a mid-term target and plan for reducing financed emissions that is aligned with the 1.5°C goal of the Paris Agreement.

Japan's "Hidden Emissions Responsibility" Is Now an Official Figure

In November 2025, FoE Japan published the report Climate Impacts of Japan's Public Finance: Greenhouse Gas Emissions from JBIC's Fossil Fuel Support and Their Alignment with the 1.5°C Goal together with a briefing on the issue, presenting its own estimate of 2024 greenhouse gas emissions from fossil fuel projects backed by JBIC. "Mobilized emissions," which include the share of co-financing, came to about 408 million tonnes (CO2e, GWP20). If JBIC were a country, it would rank 20th in the world, above the annual emissions of France, the United Kingdom and Italy. Even counting only JBIC's own share under the Partnership for Carbon Accounting Financials (PCAF) methodology, emissions came to about 176 million tonnes, equivalent to 39th in the world. FoE Japan has since called on JBIC to disclose its financed emissions, including through the regular NGO-Ministry of Finance consultations.

The financed emissions JBIC has now disclosed (based on its outstanding portfolio as of the end of March 2025, covering all categories, not only fossil fuel projects) total 236.5 million tonnes of CO2e across Scopes 1, 2 and 3. This is a vast amount. If JBIC were a country, it would rank 28th in the world for total CO2 emissions, ahead of Spain (218.61 million tonnes), the UAE (207.66 million tonnes), Pakistan

(188.21 million tonnes) and the oil-producing state of Qatar (137.86 million tonnes). For total greenhouse gas (GHG) emissions including methane, it would rank 35th, ahead of Qatar (164.32 million tonnes) and Bangladesh (227.65 million tonnes)[1]. The figure is also equivalent to roughly a quarter (23.8%) of Japan's total domestic emissions (994 million tonnes in FY2024), and even Scopes 1 and 2 alone amount to 8.1%.

A High Standard of Transparency Among the World's Export Credit Agencies

At the same time, the transparency and level of detail of this disclosure deserve recognition in many respects, and other export credit agencies (ECAs) should follow suit. First, JBIC disclosed the Scope 3 emissions of the projects and companies it finances. For project finance, this corresponds to the lifecycle emissions of the supported project. With a few exceptions such as Germany and the UK, most ECAs have never published this figure. According to JBIC's disclosure, Scope 3 emissions from the "oil and gas" sector alone come to 118.6 million tonnes, or 50.2% of the total, which shows how important it is to include Scope 3 in the calculation.

Second, JBIC broke down its emissions across 19 sectors, including power and oil and gas. Until now, the German ECA was the only ECA to publish sector-level emissions. No ECA had ever published both Scope 3 emissions and data quality scores for each sector, making JBIC the first in the world to do so.

Third, JBIC published a data quality score (DQS) for each category. The DQS is a PCAF metric that rates, on a scale of 1 to 5, how reliable the data used to estimate emissions is. The best score, 1, applies in project finance when emissions reported by the company and verified by a third party are used. JBIC's DQS is 2.8 for Scopes 1 and 2 and 3.1 for Scope 3, meaning it relied on unverified emissions reported by companies and on estimates based on production volumes and similar data. The only other ECA that publishes a DQS is UK Export Finance (UKEF), whose score is 3.8.

On these points, JBIC's disclosure is more transparent than that of members of the Net-Zero Export Credit Agencies Alliance (NZECA). JBIC should share its experience in data collection, and encourage other agencies to follow its lead and improve their own transparency.

Three Problems with the Disclosure

(1) Counting high-efficiency gas-fired power and other problematic projects as "avoided emissions" is unacceptable

Alongside its financed emissions, JBIC calculated and published, on a trial basis, its "avoided emissions," and included high-efficiency gas-fired power and mineral resource development in this figure. JBIC notes that avoided emissions and financed emissions are different metrics and are not meant to be compared or offset against each other. But the very idea of treating gas-fired power as an "avoided emission" is the problem.

[1] Since it is unclear to what extent JBIC's disclosed figure includes methane and other non-CO2 gases, we compare it with world rankings for both total CO2 emissions and total greenhouse gas emissions.

Gas is said to emit less CO2 than coal when burned, but once methane leaking during extraction, transport and liquefaction is taken into account, the opposite can be true. One study finds that the lifecycle GHG emissions of US liquefied natural gas (LNG) exceed those of coal by 33% over a 20-year timeframe.

FoE Japan estimates that the lifecycle emissions from JBIC's financing of gas-fired power in 2024 amount to 126.72 million tonnes (CO2e, GWP100). That is comparable to the entire annual GHG emissions of Oman (134.48 million tonnes) and higher than those of Chile (112.67 million tonnes) or Belgium (104.10 million tonnes). Financing gas-fired power does not lead to avoided emissions. It is something that must stop now.

As for mineral resource development, FoE Japan has repeatedly pointed out serious environmental destruction and harm to local communities at mining sites involving JBIC. Such projects cannot be labelled a "contribution" to reductions without adequate environmental and social safeguards.

(2) Lack of transparency on methane emissions

JBIC's disclosure presents financed emissions in CO2-equivalent, but it does not show how much of this is methane and how much is carbon dioxide, nor how accurately the companies it finances measure, report and verify (MRV) their methane emissions. Over a 20-year timeframe, methane is 82.5 times more potent than CO2. Through the Global Methane Pledge launched at COP26, which Japan joined, the international community came to share an understanding of how important methane MRV and reduction measures are. FoE Japan has pointed out that 46% of the direct emissions of JBIC-backed projects come from methane (2024, GWP20), so ignoring methane would mean missing almost the half of the financed emissions.

Rolling out methane MRV faces many challenges, but the Japanese government itself is leading the CLEAN initiative, which aims to improve transparency and reduce methane emissions across the LNG value chain. JBIC should work with its borrowers through CLEAN, with the aim of calculating and disclosing methane and CO2 separately, setting separate reduction targets for each, and stepping up its engagement with the companies it finances.

(3) No mid-term reduction target has been disclosed

The Integrated Report merely states that JBIC is developing a plan to pursue net-zero GHG emissions in its portfolio by 2050, and sets out no mid-term target. The IPCC says that meeting the 1.5°C goal requires cutting global greenhouse gas emissions by around 43% by 2030 and around 60% by 2035, relative to 2019. FoE Japan's calculations have already shown that, even without counting financing decisions made from 2025 onward, the trajectory of JBIC's annual greenhouse gas emissions is not consistent with the reduction rates the IPCC calls for in 2030 and 2035. As a state-owned policy finance institution, JBIC has a responsibility to set reduction targets for the milestone years of 2030 and 2035.

Other public finance institutions and private banks have in fact already published mid-term targets. UK Export Finance (UKEF) aims to cut financed emissions from the oil and gas sector by 75% by 2030 (from 2021 levels). In France, Société Générale has set a target of reducing emissions across the oil and gas

value chain by 70% by 2030 (from 2019 levels), and Crédit Agricole has set a target of a 75% cut in emissions from the oil and gas sector over the same period (from 2020 levels).

JBIC, by contrast, far from setting a mid-term reduction target, is expanding its fossil fuel lending. The fossil fuel-related projects JBIC decided to finance in 2025-26 total about USD 9.924 billion, or roughly JPY 1.4886 trillion (at JPY 150 to the dollar) (see the annexed table for the list of projects). Article 2.1(c) of the Paris Agreement requires Parties to make "finance flows" consistent with a low-emission pathway, a pillar alongside mitigation targets and adaptation. JBIC's financing is incompatible with this commitment. If it keeps lending without a reduction plan, JBIC's portfolio and its emissions will drift even further from the pathway the Paris Agreement demands.

A Mid-Term Target That Delivers Real-World Emission Cuts

A mid-term emission reduction target must cut actual emissions and help bring global emissions to zero by 2050. PCAF, the current international standard for calculating financed emissions, defines financed emissions as the share of a project's annual emissions attributed to a financial institution in proportion to its outstanding exposure relative to the project's total equity and debt. As a loan is repaid, financed emissions fall, and they reach zero once it is fully repaid. But repayment is not an emission reduction. Even after a loan is paid off, power plants and LNG terminals keep operating, and emitting, for decades.

The zero emissions by 2050 is not supposed to mean, as PCAF interprets, that fossil fuel loans disappear from a portfolio. It is only meaningful when emissions across society reach zero, and it means nothing if assets built with JBIC's money keep emitting beyond 2050. It is therefore already clear that financing new fossil fuel projects contradicts real-world net zero globally. Gas-fired power plants and LNG terminals have asset lifetimes of around 30 years, so the three gas-fired power projects JBIC decided to finance this year, in Ohio and elsewhere in the United States, will emit greenhouse gases until around 2060. This contradicts the 1.5°C goal of the Paris Agreement, which Japan has also agreed to, and the global net-zero emissions by 2050 that it requires. JBIC should examine whether the projects it has financed are likely to keep emitting beyond 2050. Where they are, it should take measures such as requesting early repayment and pressing for early closure by 2050, so as to secure actual zero emissions by 2050.

Our Demands

We call on JBIC and the Japanese government to take the following actions.

(1) JBIC should publish an emission reduction target, using FY2024 as the base year, in its 2027 Integrated Report or earlier. The plan should include:

● A numerical target for the percentage reduction in financed emissions (PCAF methodology) by 2035;

● Numerical targets for reducing outstanding fossil fuel-related loans (including projects under construction) by 2030 and 2035;

● An immediate end to all new finance that leads to fossil fuel expansion (including upstream development, LNG, fossil fuel power generation and related infrastructure, and also covering acquisition finance and corporate loans); and

● Disclosure of the actual emissions from supported assets, including after loans have been repaid, and a clear policy on what JBIC will do if those emissions will not reach zero by 2050.

Targets should be set in absolute emissions, including Scope 3. Intensity targets can be met even while lending grows, and a target covering only Scopes 1 and 2 would not only exclude Scope 3, which makes up the majority of JBIC's financed emissions, but would also overlook the responsibility JBIC can exercise as a major lender. Apparent reductions achieved by selling off loans or similar means should not be counted as reductions. Nor should JBIC rely on negative emission technologies such as carbon dioxide removal (CDR) or CCS.

(2) The Japanese government should explicitly include JBIC's financed emissions and a target for reducing them in the next Strategic Energy Plan and the Plan for Global Warming Countermeasures, discussions on which begin next year. The Global Mutirão decision adopted at COP30 last year acknowledged that even if all of the latest NDCs are implemented, warming will reach 2.3-2.5°C, falling short of the Paris Agreement goals (para 8). It went on to encourage Parties to align their NDCs with global net zero by around mid-century in order to keep 1.5°C within reach (para 35), and called on them to strengthen the ambition of their existing NDCs at any time (para 43). Japan should revise its NDC early, without waiting for the next submission deadline, and include in it a reduction target not only for domestic emissions but also for JBIC's financed emissions.

(3) JBIC should calculate and disclose methane and CO2 emissions separately and set separate reduction targets for each. In addition, working with CLEAN and OGMP 2.0, it should require measurement-based MRV from the companies it finances, step up its engagement as a lender to reduce methane, and require borrowers to measure greenhouse gas emissions and take reduction measures, both during due diligence in the financing review process and in monitoring after financing decisions are made.

(4) JBIC should maintain its Scope 3 and sector-level disclosure and keep working to improve its data quality scores, while removing high-efficiency gas-fired power and mineral resource development from its calculation of avoided emissions.

(5) JBIC should join the Net-Zero Export Credit Agencies Alliance (NZECA). It should encourage other ECAs to disclose their emissions to the same standard as JBIC has, and draw on its experience in data collection and other areas to show leadership among ECAs in calculating and reducing emissions.

(6) In the revision of its Guidelines for Confirmation of Environmental and Social Considerations scheduled for 2027, JBIC should build frameworks on climate change, financed emissions, and the measurement, reporting and verification (MRV) of methane emissions into its financing review and monitoring.

Contact

Friends of the Earth Japan
1-21-9 Komone, Itabashi-ku, Tokyo 173-0037, Japan
Contact: Hiroki Osada (osada@foejapan.org)

Annex: JBIC's Fossil Fuel-Related Financing Decisions Since 2025

Date	Project	JBIC financing
9 Oct 2026	Loan for a gas-fired power project in Ohio, US	approx. USD 1,976 million (after increase)
14 Aug 2026	Equity and loan for a natural gas-fired power project in Texas, US	approx. USD 739 million
14 Aug 2026	Equity and loan for a natural gas-fired power project in Pennsylvania, US	approx. USD 801 million
14 Aug 2026	Loan for a crude oil transport and export infrastructure project in the US	approx. USD 138 million (after increase)
1 May 2026	Equity and loan for a crude oil transport and export infrastructure project in the US	approx. USD 104 million (increased to approx. USD 138 million on 14 Aug)
1 May 2026	Equity and loan for a gas-fired power project in the US	approx. USD 630 million (increased to approx. USD 1,976 million on 9 Oct)
13 Apr 2026	Loan for Mitsubishi Corporation's acquisition of a US natural gas developer	approx. USD 2,375 million
25 Feb 2026	Loan for the Ruwais LNG project in the UAE	approx. USD 413 million
19 Jan 2026	Project finance for a natural gas-fired power and desalination project in Qatar	approx. USD 990 million
23 Dec 2025	Project finance for Mitsui O.S.K. Lines' FSRU charter project in Singapore	approx. USD 189 million

5 Nov 2025	Loan to and MOU with the Abu Dhabi National Oil Company (ADNOC), UAE	USD 1.8 billion
21 Aug 2025	Loan for ETC Group's liquefied petroleum gas (LPG) business in Sub-Saharan Africa	USD 14 million
27 Jun 2025	Loan for Mitsui O.S.K. Lines' FSRU charter project in Poland	USD 252 million
11 Apr 2025	Loan for the partial acquisition of an interest in the Blackwater coking coal mine, Australia	JPY 34.2 billion