



FACES OF IMPACT

JBIC and Japan's LNG Financing Harms
Communities and the Planet



Introduction

Japan has poured billions of dollars into fossil gas expansion, harming communities and ecosystems across the globe and exacerbating the climate crisis. One institution stands out in particular for its egregious fossil gas financing – the Japan Bank for International Cooperation (JBIC), owned entirely by the Japanese government. Fossil gas projects not only exacerbate the climate crisis, but also have disastrous impacts on the livelihoods, health, and security of local communities; on marine biodiversity; and on the fundamental human rights of Indigenous Peoples. This report highlights the severe impacts of JBIC-financed fossil gas projects on local communities and the environment, revealing a significant disconnect between Japan's climate commitments and its financing practices. It concludes with a call for Japan to align its financing with its climate commitments and to stop harming communities and ecosystems.

Violating the Paris Agreement and G7 Commitment

The continued expansion of fossil fuel projects makes it impossible to stay under the 1.5 degrees Celsius (°C) warming limit required to avoid devastating climate consequences. The amount of CO₂ that can be emitted while keeping under 1.5°C is so small that existing and currently planned fossil fuel infrastructure emits enough CO₂ to push the world over this limit¹. Still, fossil gas (commonly known as natural gas or liquefied natural gas (LNG)) projects continue to be planned, built, and financed.

Financing the expansion of fossil fuels is therefore not aligned with the 1.5°C commitment made in the Paris Agreement. Despite this, Japan, including JBIC, continues to be one of the biggest financiers of fossil gas. Since January 2016, the year the Paris Agreement came into effect, **JBIC has provided a staggering \$18.6 billion to fossil gas expansion** (as of July 24, 2024)². This is **over four times larger than the Japanese cumulative contribution of \$4.2 billion to the Green Climate Fund (GCF)**,³ which assists developing countries with adaptation and mitigation under the United Nations Framework Convention on Climate Change (UNFCCC). Further, Japan committed to

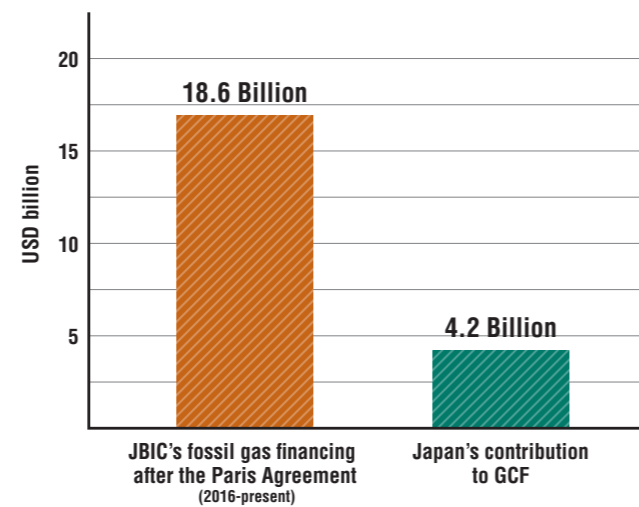


Figure 1: JBIC's Fossil Gas Financing and Japan's Contribution to GCF
Source: Public Finance for Energy Database and Green Climate Fund

contribute only \$22 million to the Loss and Damage Fund and Adaptation Fund.

Japan's fossil gas financing is continuing despite Japan's G7 commitment in 2022 to end direct support for overseas fossil fuel projects by the end of 2022. Since 2023, **JBIC has provided \$3.9 billion (as of August 28, 2024), violating its G7 promise.**⁴

More Climate Finance, Not Fossil Gas Finance

Due to their immense historical greenhouse gas emissions, rich Global North countries like Japan have a responsibility to provide climate finance to Global South countries for the transition to renewable energy, adaptation to climate change, and loss and damage caused by exacerbated natural disasters. This finance must be provided without creating more debt for the Global South.

However, Japan is still financing fossil fuels over renewable energy. Between 2020 and 2022, G20 export credit agencies

(ECAs) like JBIC provided an annual average of \$32 billion in fossil fuel finance – or **six times the amount they contributed to clean energy.**⁵ ECAs provided almost 65% of all public fossil fuel finance during this period.

Furthermore, international fossil fuel financing is largely provided in the form of loans,⁶ burdening the project host countries. This is deplorable, given that 93%⁷ of the countries that are most vulnerable to climate disasters are also in or at risk of debt distress. These loans do not lead to local development.

Japan has three upcoming opportunities to end fossil gas finance and support climate justice and renewable energy. First, Japan should support an ambitious climate finance goal at the UNFCCC COP29 – the New Collective Quantified Goal (NCQG) for climate finance. The NCQG must be clear that countries like Japan in the Global North must pay for the full cost of the climate crisis they have caused, and that this finance should be provided in the form of grants.

Secondly, Japan should agree to the proposals⁸ under negotiation at the Organisation for Economic Co-operation & Development (OECD) to push member countries' ECAs to end international public finance for fossil fuels – including oil and gas. While loopholes will still exist, an agreement at the OECD would be instrumental in pushing countries like Japan to finally end their public support for gas projects.⁹

Lastly, Japan must stop driving the expansion of gas and LNG and promoting fossil-based technologies through the Asia Zero Emissions Community (AZEC). Japan claims AZEC contributes to Asia's decarbonization and supports the region's development. However, AZEC promotes Japan's expensive fossil fuel-based technologies – including LNG, ammonia co-firing at coal power plants, hydrogen co-firing at gas plants, and carbon capture and storage. These technologies are dangerous distractions that will prolong the use of gas and coal.

More Voices Against JBIC's Fossil Gas Financing

People around the world are raising their voices against JBIC fossil gas financing that harms their communities. Their voices are getting louder: A global protest in April 2024 mobilized people in eight of the host countries of JBIC-financed fossil gas projects. Moreover, 96 civil society organizations from 26 countries signed a petition demanding that the Japanese government stop fossil fuel financing.¹⁰

This report shares stories from communities affected by JBIC's fossil gas finance in nine countries: Australia, Bangladesh, Canada, Indonesia, Mozambique, the Philippines, Thailand, the United States, and Vietnam. By sharing these stories, the report aims to provide a comprehensive overview of the challenges faced by these communities and to underscore the urgent demand for policy changes, detailed in the Conclusion and Recommendation section.

- 1 IPCC AR6, WG3, SPM B.7
- 2 Fossil gas expansion includes fossil gas power plants, LNG vessels, gas fields, financial support to fossil gas companies, and LNG trading. The precise amount is \$18,655,629,945.
- 3 Note that GCF is not without its flaws. Accredited entities (AEs) can access GCF funds to develop and support projects. However, it is concerning that, as of 2017, over 90% of the accredited entities were international institutions, not national or regional institutions. Mitsubishi UFJ, one of the largest fossil fuel financiers in the world, is also an accredited entity. This reliance on international entities may undermine the GCF's goal of being "country-driven" as well as the effectiveness of the GCF's goal of supporting mitigation and adaptation in developing countries.
- 4 The exact figure is \$3,916,272,000.
- 5 Oil Change International and FoE US. 2024. Public Enemies: Assessing MDB and G20 International Finance Institutions' Energy Finance.
- 6 Loans accounted for \$62.2 billion or 67% of the total amount of Japanese public finance (\$93 billion) for overseas oil and gas projects between 2013 and 2023. See SFOC. 2024. Billions Off Course: Japan's Oil and Gas Financing Fueling the Climate Crisis.
- 7 ActonAid. 2023. The vicious cycle: connections between the debt crisis and climate crisis.
- 8 Financial Times. 2023. "EU and UK seek ban on subsidies for foreign fossil fuel projects."
- 9 Support by public financiers like the ECAs are crucial for the private sector, which depends on public institutions to de-risk investments. ECAs ending such support sends a clear signal to the private sector regarding the risks of continuing to finance fossil fuels.
- 10 On this global protest and petition, see FoE Japan. 2024. "Press Release: Japan's 'disastrous and harmful' LNG financing sparks protests around the world."

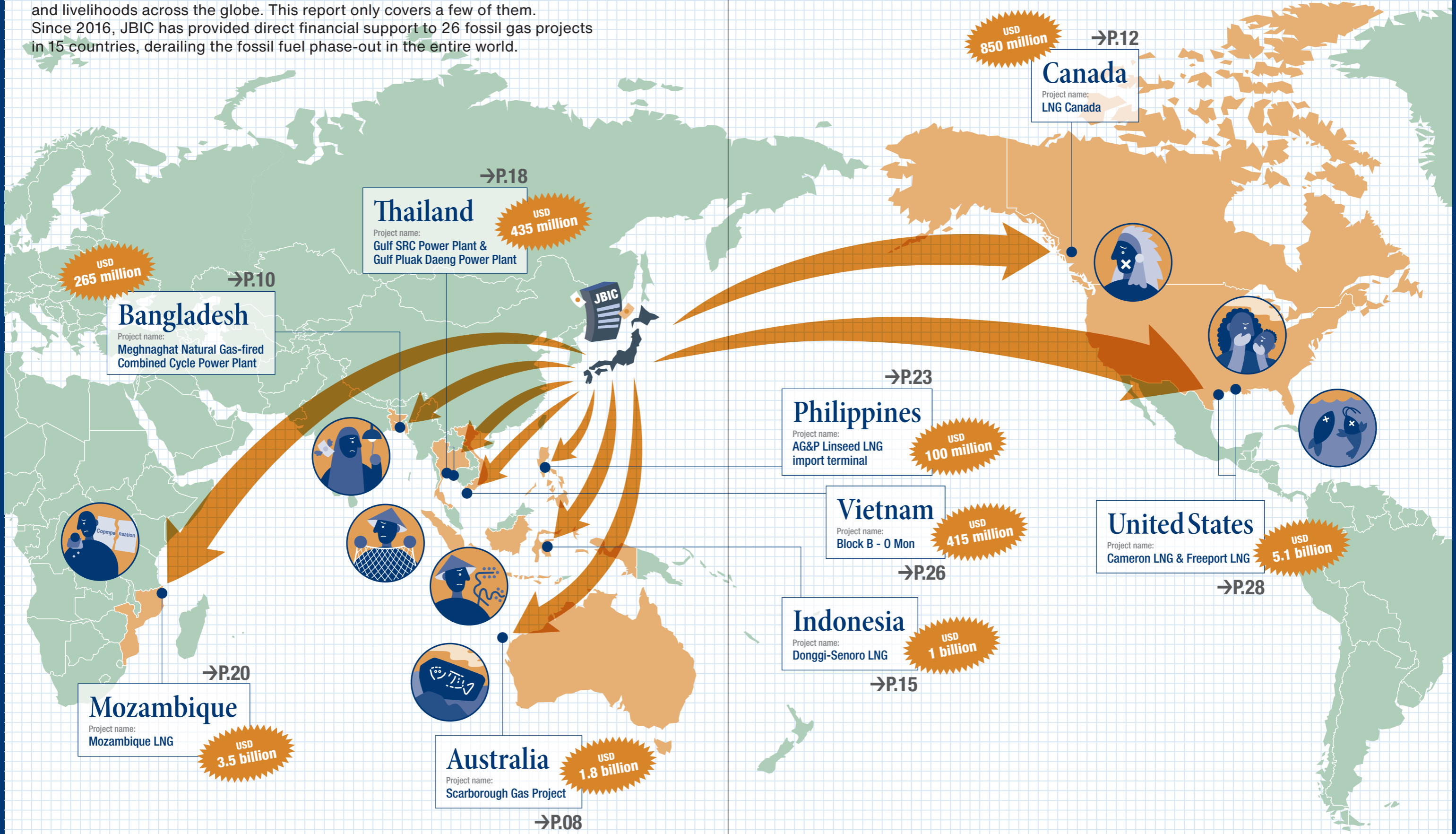


PEOPLE ARE RISING

People around the world raise their voices against JBIC's fossil gas financing that harms their communities. And their voices are getting louder.

JBIC's Polluting Projects

Japan and JBIC are financing gas projects that are destroying lives and livelihoods across the globe. This report only covers a few of them. Since 2016, JBIC has provided direct financial support to 26 fossil gas projects in 15 countries, derailing the fossil fuel phase-out in the entire world.



Australia



Protesters at Woodside's Annual General Meeting in 2024. ©MilesTweediePhotography

JBIC-Financed Project:

Scarborough Gas Project

Amount of JBIC financing:

USD 1.8 Billion¹¹

How's the Project Harming Communities?

- Destruction of Aboriginal heritage sites
- Threats to marine ecosystems and biodiversity
- Violation of Indigenous rights and consent

JBIC has been central to the rapid expansion of gas projects that has made Australia one of the world's biggest LNG exporters. Since 2010, JBIC has provided \$9 billion to gas projects in Australia.

JBIC is deeply involved in Woodside's Burrup Hub gas export precinct, which if fully built would produce lifetime emissions of 6.1 billion metric tons. Burrup Hub would be the largest gas carbon bomb¹² in the Southern Hemisphere and would use up a sizable amount of the world's remaining 1.5°C carbon budget. The Burrup Hub projects also pose significant threats to marine ecosystems and to priceless 50,000 year old Aboriginal rock carvings.

Feeding into the Burrup Hub is the Scarborough Gas Project, the largest fossil fuel project currently under development in Australia. In 2024, JBIC announced financing totalling \$1.8

billion to Scarborough, including \$1 billion to Woodside, which is the Australian company leading the project. Over its lifetime to 2055, the Scarborough project would lead to 1.37 billion metric tons of emissions released into the atmosphere, nearly three times Australia's entire national annual emissions.

JBIC is also financing Browse, the largest unexploited conventional gas field in Australia, which would operate for over 40 years with lifetime emissions of up to 1.6 billion metric tons. Browse gas would need to be pumped nearly 1000 km by subsea pipeline for export via the Burrup Hub.

The state government regulator has stated that Browse would have "unacceptable" impacts on the local environment.¹³ Situated next to the pristine Scott Reef, Browse threatens a sensitive coral ecosystem home to hundreds of species of fish, an endangered sea snake, a sea turtle nesting area, and endangered pygmy

blue whales which migrate and feed in the area. The federal regulator has also raised concerns about the impacts on Scott Reef of a proposed carbon dumping (CCS) project.¹⁴

Woodside has failed to gain the free, prior and informed consent of Indigenous people on whose land and sea country the projects would take place. In fact, Woodside has signed local communities up to a gag clause agreement that bans them from objecting to the projects, in violation of their internationally recognised human rights.

There are concerns that nitric acid emissions from the LNG processing facility are causing erosion to a vast collection of ancient rock art, much of which is tens of thousands of years old. The collection is subject to a World Heritage nomination and includes the oldest known depiction of a human face.

Josie Alec, the First Nations Lead at Australian Conservation Foundation (ACF) and a Kuruma Marthudunera custodian, said:

As a Kuruma Marthudunera custodian of the water and lands of Murujuga and surrounds, I carry an obligation which has been passed down to me throughout millennia from my ancestors.

The connections of the song lines that sit within the stories on the ancient rock art in Murujuga, are connected throughout many of Australia's sacred sites. The stories from these sites are ceremonial points for first nations men and women to practice our cultural lore and maintain longevity and sustainability to all life on mother earth. When there are disruptions in these song lines such as interruptions of sea country and land, caused by drilling and blasting seabeds and extraction of gas and other resources, it causes life threatening emissions and pollution of waterways. It is critical to maintain clean water and air for the health of all the people and plants and animals in the surrounding areas and beyond.

Woodside has urged a state crackdown on environmental defenders, and successfully used an advertising campaign to



Marine Life in Scott Reef, Western Australia © Wendy Mitchell / Greenpeace



Protesters at Woodside's Annual General Meeting in 2024. ©MilesTweediePhotography

pressure the Western Australian Government to abandon greenhouse gas regulations. Woodside shareholders voted 58% against the company's climate plans in 2024 due to the severe disjunct between their plans and what the climate science requires. This is the world record for shareholder votes against company climate strategy, and was accompanied by record votes against company directors.

A recent memorandum of understanding between JBIC and the Northern Territory Government of Australia suggests JBIC is considering financing the Northern Territory Government's proposed gas export and petrochemical facility at Middle Arm in Darwin Harbour. Locals are concerned about impacts on the harbor and on the health of Darwin residents, some of whom live within a few kilometers of the site. A key tenant at Middle Arm is Texan fracker Tamboran, who proposes a new LNG facility of up to 20 Mtpa at Middle Arm, fed with fracked gas from the Beetaloo Basin. Traditional Owners in the Beetaloo Basin object to fracking on their country. Beetaloo fracking projects threaten extensive and interconnected groundwater and river networks.

JBIC's extensive financing of gas projects in Australia has caused significant environmental and cultural damage, highlighting the urgent need for Japan to stop fossil gas financing.

¹¹ The exact amount is \$1,831,000,000.
¹² Carbon bomb is a fossil fuel project with a potential to emit over a Gigaton of CO₂.
¹³ Peter Milne. 2024. "Unacceptable": Red flag for Woodside's Browse gas project poses problem for federal government." WA Today.
¹⁴ Peter Milne. 2024. "Carbon storage sets approval for Woodside's Browse gas project back to square one." WA Today.

Bangladesh

*More harm than help
to our community.*



Hot-Water Discharge Area of the power plant directly connected to river ©CLEAN, Bangladesh

JBIC-Financed Project:

Meghnaghat Gas-Fired Power Plant

Amount of JBIC financing:

USD 265 Million

How's the Project Harming Communities?

- Loss of livelihood due to declining fish populations
- Increased financial burden from higher electricity costs
- Environmental degradation from hot water discharges
- Limited job opportunities for local communities

Japan provided funding and support for Bangladesh's Integrated Energy and Power Master Plan which largely relies on LNG and other fossil fuels. **Japan's energy finance is leading Bangladesh into a debt trap** by promoting this unnecessary and unsustainable fossil fuel power system. **Electricity produced from LNG costs ten times more** than electricity generated from domestic fuels, making it **unaffordable for communities in Bangladesh**.

Japanese financiers consistently invest in LNG-powered plants like the Meghnaghat LNG Power Plant. Reliance Bangladesh Power Limited constructs, owns, and operates this 718 MW natural gas-fired combined cycle power plant in Meghnaghat, southeast of Dhaka. The plant will supply electricity to the state-owned Bangladesh Power Development Board (BPDB) for 22 years. The project is financed by JERA (49%) and Reliance Power Limited (RPL) of India (51%). Japan International Coop-

eration Agency (JICA) and JBIC also provide finance. This particular power plant could incur capacity charges ranging from approximately \$51.13 million to \$112.25 million annually, and over its 22-year lifespan, costs could reach between \$1.12 billion and \$2.47 billion. These costs are then passed on to consumers, resulting in higher electricity bills. These financial burdens will weigh down the economy of Bangladesh.

However, the negative effects brought about by the JBIC-financed LNG power plant go beyond the cost. Coastal Livelihood and Environmental Action Network (CLEAN) and its local partner organization, the Environmental Safeguard and Development Society (ESADS), jointly assessed the situation around the power plant area. They engaged with local communities and inspected the nearby river, gathering insights on the environmental and social impacts of the plant.



Meghnaghat Gas-fired Power Plant ©CLEAN, Bangladesh

One community member living near the plant mentions the declining catch of fish because of its operation:

*I'm a family person and have four children. I used to ride boats and catch fish, but now I am working only on boats. It is the only earning source for my family. A small number of people cross the river. So little money comes from this source, and it is difficult for my family to drive through. **There are less fish than before.** Power plants discharge hot water every 15 days or sometimes weekly, and river water gets hotter. After discharging the hot water, we observed that the next morning, **dead fish were floating in the river, and the water turned black and had a bad odor.** So we can not use it for bathing and washing clothes. Fish are decreasing because their habitats are declining because of hot water discharge.*

Another community member, who is working in a relative's shop in front of the Reliance Meghnaghat 718 MW LNG power plant, shares the concern:

I have been working here since 2018. This riverside area is filled with sand to prepare the land. It took three or four

*years. **Our job opportunities are few, as they appointed the workers whose home is very far from here.** We can not even enter the inside of the power plant. One year back, more than four people died, including two Chinese workers in the power plant during the construction. That time the authorities were not careful about security measures. I saw him being taken to the hospital. After the incident, what happened to him, I don't know.*

Mr. Hossain, Executive Director of ESADS, shares community members' concerns:

***The Reliance Meghnaghat LNG power plant has brought more harm than help to our community, with job opportunities limited to outsiders and environmental degradation disrupting our livelihoods.** The plant's routine hot water discharges are killing off fish and polluting our river, making it increasingly difficult for us to survive on what little work is left.*

On November 23, 2023, JBIC signed a three-year memorandum of understanding with the Energy and Mineral Resources

Division (EMRD) to enhance strategic cooperation in Bangladesh's energy sector. The agreement is expected to facilitate the energy transition by leveraging Japanese technology to develop infrastructure for LNG and gas-fired power plants. In response, Hasan Mehedi, CEO of CLEAN Bangladesh, said, **"Fossil gas investments have become a pivotal burden, depleting our foreign currency reserves and pushing us into a debt trap. JBIC's investment in expanding dirty energy in Bangladesh further intensifies this crisis."**



People's Protest in Meghnaghat, ©Waterkeepers Bangladesh

Canada

We just want to protect what is ours.



Freda & ceremonial fire by Land Defenders © Virginia Monk & Chris Heffley

JBIC-Financed Project:

LNG Canada

Amount of JBIC financing:

USD 850 million

How's the Project Harming Communities?

- Construction without consent from Indigenous people
- Militarized violence, psychological warfare, harassment, and dispossession
- Harming the way of life and land of locals and Indigenous people
- Disrupting and damaging the rivers and the salmon

The Project

In the heart of British Columbia's northwest lies a battleground where **the ambitions of fossil fuel companies clash with legal orders, human rights, and the well-being of local communities.** At the forefront is a proposed LNG project **financed by JBIC** called LNG Canada. This project has raised alarm bells not only due to its impacts on the environment but also due to **its disregard of the Wet'suwet'en and neighboring nations' rights and laws.**

LNG Canada is broken into three separate components: an export facility (LNG Canada), a proposed expansion that would double the size of the export facility (Phase 2), and a pipeline (Coastal GasLink pipeline). The construction of LNG Canada and the pipeline have been completed. The expansion has not been constructed. However, LNG Canada, Phase 2, and the pipe-

line all work together and must be considered as one project.

At the heart of this massive project lies **the Montney Play fracking fields, the world's sixth largest carbon bomb.**¹⁵ Fossil gas is to be fracked from these fields and then flow through the Coastal GasLink pipeline to arrive at LNG Canada's terminal, where it would be cooled and shipped to Asia. **Fracking has been banned in many places around the world because of its health impacts and environmental destruction, but surprisingly not in Canada.**

The Coastal GasLink pipeline¹⁶ was forcibly constructed through Wet'suwet'en territory without consent, triggering a legal and moral crisis.

The Violence

The world needs to know the context of how Canada treats Indigenous peoples to better understand the impact of LNG Canada and its pipeline. From 1831 to 1996, "residential schools" were used to assimilate Indigenous children to settler society, and thousands of children were murdered, abused, or went missing. "The Sixties Scoop" marks a time when approximately 20,000 Indigenous children were stolen by the government and put into the foster care system without proper screening, and many faced violence or went missing. "Missing and Murdered Indigenous Women and Girls" was declared a national crisis in 2019. Today, there are over 90 Indigenous communities without clean drinking water. These are only brief examples of complex, heartbreaking realities that have ongoing impacts on real communities.

And now, for the sake of the JBIC-financed LNG Canada project, land defenders have faced **militarized violence.** KKR is a private equity firm located in New York and the majority owner of the pipeline. KKR is run by General David Petraeus, previously a top U.S. Army Commander. He claims to "neutralize risks" for projects including oil and gas. His field manual was used in Iraq, Afghanistan, and now, on Wet'suwet'en territory.

Canadian government officials permitted a militarized police force to conduct multiple raids on the Wet'suwet'en and other land defenders peacefully occupying their own territory.¹⁷ Land defenders and journalists were unjustly arrested in the process,



RCMP on bridge ©Michael Toledano

including Chief Dsta'hył. Cabin doors were chainsawed down, people dragged over broken glass, guns pointed, and more. This type of militarized violence has been well-documented,¹⁸ including in a recent award-winning film called YINTAH.¹⁹

When JBIC provides financing for fossil fuel projects like LNG Canada, it supports the project's associated pipeline and what that pipeline does to communities.

The investors of this project must have been lied to; the environmental, social, and legal impacts are too significant. Who would want to be part of this LNG project?

— Eva Garofalo, Tall Cedar Consulting

¹⁵ Dexter McMillan and Tara Carman. 2023. "Canada is sitting on 12 'carbon bombs': Here's where they are." CBC News.
¹⁶ The Narwhal. Coastal GasLink pipeline.
¹⁷ See the videos and description of the raids here: <https://www.yintahaccess.com/videos>
¹⁸ Amnesty International. 2023. "Removed from our land for defending it": Criminalization, Intimidation and Harassment of Wet'suwet'en Land Defenders."
¹⁹ The film can be found here: <https://www.yintahfilm.com/>



LNG Canada, ©Citizen Monitoring Group

The Law

The Delgamuukw and Gisday'way court case of 1997 legally recognized Aboriginal Title within the Canadian Constitution as a property right. The decision acknowledges that the Gitksan and Wet'suwet'en Nations have always had exclusive possession of their own land.²⁰ The validity of the Wet'suwet'en hereditary governance system was also verified under Canadian law.²¹ Despite these legal victories and recognition of sovereignty, **LNG Canada and its supporting infrastructure proceeded with construction without consent.**

Canada is only 157 years old, while the Wet'suwet'en and all other Indigenous nations have been on their lands for thousands and thousands of years. The Indigenous laws governing this territory have always been enforced and still are today.

Chief Na'Moks, a Hereditary Chief of the Tsayu (Beaver Clan) of the Wet'suwet'en Nation, carries a traditional name that is thousands of years old. His ancestral duty is not merely ceremonial but a solemn vow to protect over 22,000 square kilometers of Wet'suwet'en territories for future generations. It is a responsibility recognized long before European colonization.

It is quite simple. We do not want more than what we have, we just want to protect what is ours.

— Chief Na'Moks

The Land and the Hope

The protection of Wet'suwet'en territory is not just a matter of rights and legalities; it is a struggle to safeguard the very essence of the land itself. The pipeline has drilled through the Wedzin Kwa (Morice River), a tributary of the Skeena River²², a lifeline for countless species including prized salmon²³ and an ancestral gathering place of the Gitksan and Wet'suwet'en Nations. There are areas where the sockeye salmon run is now extinct.²⁴ Many depend on the rivers for their livelihoods, their cultural traditions, and to feed their families. The rivers are part of people's homes. A way of life has come from these rivers and that is being directly damaged by fossil fuel development.



Chief Na'Moks

So, this conflict is not just about saying no to a fossil fuel project; it is a resounding yes to clean water, safekeeping livelihoods, and a future where Indigenous laws and rights are respected. It is a call to welcome future sustainable projects.²⁵

The story of LNG Canada and its pipeline is not just about a project on paper; it is a narrative etched into the very fabric of Canada's evolving identity. As the world watches, the decisions made around investing in Canadian LNG will resonate far beyond the borders of this vast land, shaping perceptions of justice, responsibility, and humanity for generations to come.

Our communities are filled with loving and generous people. We want everyone to be cared for. This project will not take care of us, we do not need this project. There are alternatives and that is what we should be pursuing.

— Chief Na'Moks

²⁰ Supreme Court of Canada. 1997. Supreme Court Judgements. Delgamuukw v. British Columbia. 3 SCR 1010.
²¹ Ibid.
²² David Suzuki Foundation. 2023. "Coastal GasLink caught red-handed wrecking Skeena salmon and steelhead spawning river."
²³ See the video by SWCC, Skeena Salmon Journey in a Changing Climate: <https://vimeo.com/544681045>
²⁴ See <https://www.youtube.com/watch?v=xwh8LxfXZWE>
²⁵ For example; Community Economic Development & Skeena Energy Solutions, Sacred Earth Solar, and the Indigenous Clean Energy Network



JBIC-Financed Project:

Donggi-Senoro LNG Project

Amount of JBIC financing:

USD 1 billion²⁶

How's the Project Harming Communities?

- Restricted fishing zones
- Reduced fish catches
- Decreased crop yields and quality
- Emerging health problems

“Previously, we could set up a ‘rumpon’ (fish-aggregating device: FAD) right in front of the coastal area facing the LNG plant, and we used to catch a lot of skipjack tuna. The coastal area was a good fishing ground, and even rowing boats, which do not need fuel, had no problem,” says one fishing community member after another.

LNG production began in 2015 in Uso Village, Batui District, Banggai Regency, located in the northeastern part of Central Sulawesi Province. Since then, the coastal sea area within a one kilometer radius of the Donggi-Senoro LNG project site and the LNG tankers’ route has been set as a no-entry zone. The area prohibits more than fishing activities. The community members in Uso Village explains:

Even passing through the restricted zone to head to nearby fishing grounds is not allowed. If we get into the no-entry zone even a little bit, the security guards come by speedboat and we are chased away. The police are with them, and they sometimes show up with a rifle, aiming at the fishing communities.

Even if they attempt to catch fish outside of the no-entry zone, the lights from the project site cover a broad range, making it difficult to attract fish with just a small light, such as a torch, as before. The community members reported that the number of residents engaged in fishing in Uso Village has noticeably decreased. Some fishing communities are now traveling five to

²⁶ The precise amount is \$1,076,700,000.



Fishing tools, including a light to attract fish, which need a generator © WALHI Central Sulawesi / FoE Japan

seven hours to reach their fishing grounds. In some cases, they have to borrow money to pay back the cost of fuel after the fish catch, as their boats now require four to six times more fuel than when they were able to fish along the coast, and the cost of fuel itself has nearly doubled. Although they spend more than a full day fishing, some days their net profit drops to less than one-tenth of what it used to be. One of the community members laments, “**The situation for the fishing communities has gotten really tough now.** Children used to spend time bathing in the water and helping with the fishing, but even such practices and culture have disappeared.”

JBIC has provided a loan of up to \$763 million to the Donggi-Senoro LNG project through project finance, and has also made a loan of \$313.7 million to Mitsubishi Corporation, the largest sponsor of the project. More than 60% (1.3 million metric tons/year) of the LNG produced at the plant has been purchased by Japanese power companies.

Fishing communities in Uso Village once asked the project company to subsidize the cost of the fuel, which is increasing as they travel further distances to fish. The company refused, according to the communities. “At least the company should allow us to fish in the no-entry zone when there are no LNG tankers around the project site,” the fishing communities said. The voices of these fishing communities remain unheeded by the project company.

It is not only fishing communities that are realizing the negative effects of the LNG project. In Uso Village, there are also many people who have made farming their main means of livelihood. One of the main crops is coconut which is harvested every three months, but **some farmers have experienced a decrease in the number of coconuts harvested by half compared to before the project,** and they are no longer able to produce sufficient harvests. Banana fruits have also reportedly become smaller. Other crops, such as chili peppers and corn, “are not growing well” said one farmer after another in the vicinity of the project site.

In addition to the effects on agricultural crops, some residents point out that over the past few years, cases of respiratory and skin diseases have begun to appear. One elder farmer says:

When it rains, I don't let my grandchildren play outside. My neighbors have gotten skin diseases, which scare me.

Another resident also states, “Since the effects are hard to see, it is difficult to seek compensation. There should be a survey to examine whether there is any air pollution caused by the project, and the effects on crops and health should be verified.” The LNG plant continues to operate without any response from the project company to concerns of the local residents.

The Donggi-Senoro LNG project has resulted in the loss of community self-reliance:

Before the project, we were able to manage our own economy within ourselves. Our activities at sea are restricted, and even on land we don't get sufficient harvests. What are we supposed to do with our daily lives? We have no choice but to seek employment and compensation.

However, **the priority employment promised by the project company to the residents of Uso Village is totally inadequate.** According to the community members, the LNG project

employs nearly 570 workers – 90 skilled workers from mostly outside Central Sulawesi Province and 480 unskilled workers from Batui District and surrounding areas. But only 25 to 30 residents of Uso Village are employed in relation to the LNG project. They are all employed as non-regular workers by sub-contractors, such as security and cleaning staff, according to the local communities.

Before construction began, the project proponents told the residents of Uso Village that “Uso Village will be developed like the USA (North America),” and assured them that their lives would improve. However, according to the villagers, the current attitude of the company toward the communities is basically summarized by three words: “Sabar, tunggu, nanti” which translates to “be patient, wait, and then respond later.” One of the community leaders expresses:

We were promised that our lives would get better, but it hasn't happened at all. So now we are raising our voices to try to make the project company achieve that. We believe we should do something, not for ourselves, but rather for our children's and grandchildren's generations.



Top: Fishing boats and a buoy © WALHI Central Sulawesi / FoE Japan. Bottom: Donggi-Senoro LNG project site and a buoy marking a no-entry zone for fishing communities ©WALHI Central Sulawesi / FoE Japan



Farmlands surrounding the Donggi-Senoro LNG project site © WALHI Central Sulawesi / FoE Japan

Thailand

'Development' has offered them nothing but dismay.



Rayong's fisherfolks who are fighting for justice against the industry's impact on their livelihoods and communities. ©CEED.

JBIC-Financed Project:

Gulf SRC Power Plant and Gulf Pluak Daeng Power Plant

Amount of JBIC financing:

USD 435 million
in total

How's the Project Harming Communities?

- Loss of local communities' livelihood
- Biodiversity loss
- Unmet compensation promises
- Shrinking fishing areas and reduced catches

The Eastern Seaboard Development Program (ESB) came about when Thailand was experiencing a severe economic crisis in the 1970s.²⁷ During this time, when the price of oil was rising and oil supply was extremely limited, Thailand discovered domestic gas. This provided a glimpse of hope for the nation and allowed Thailand to strengthen its "national energy security" and decrease reliance on imported energy sources. However, this industrial growth has led to chronic problems for people in eastern Thailand.

Issues emerged with the very inception of the ESB. Map Ta Phut of Rayong Province and Laem Chabang of Chonburi Province were both designated as areas to support the upcoming development projects. This heavily impacted local communities.

Eastern Thailand is famous for the sea and the food, a tourist destination with beautiful islands in the Gulf of Thailand. It is

also the site of large development projects created to support the industrial sector, such as the ESB and the Eastern Economic Corridor (EEC). **In the name of development, there are groups of people who remain neglected and are counting down the days until they lose their way of life forever.**

Manop Sanit, a local fisherman and Rayong Clean Energy Coordinator, offers the following description:

We are under 'development discourse' which has a group of people benefiting and groups that are affected or at a disadvantaged position. People in Rayong province often say that we have to sacrifice for 'development,' but 'development' offered them nothing but dismay. People's livelihood as fishermen has totally changed. And I don't know if there will be anyone who will carry on this tradition or not. ... Massive development along the eastern seaboard and Rayong Province includes sea



A shellfish farm, sponsored by PTT, stands amidst the industrial landscape that has ravaged the local marine ecosystem ©CEED

reclamation and construction of a port. The expansion of the industrial sector has affected the way of life of local fishermen. Coastal communities depend on natural resources and the environment. They earn a living in fishing which is a major economy of Rayong even before this 'Special Development Zone' was built. We need to value this livelihood, this way of life, and pass it on to future generations.

During the development of the ESB, locals faced disruptive projects including sea reclamation and the construction of the port in Map Ta Phut. **The EEC encroached into seaside areas and, therefore, the area available for fishing. This has had negative impacts on the livelihood of local fisherfolk.**



Top: Traditional fishing boats and the towering industrial infrastructure of the Map Ta Phut industrial estate. ©CEED. Bottom: A local seafood vendor near Map Ta Phut readies her store to close, hoping for a last-minute sale ©CEED.

The LNG import terminal in Map Ta Phut, Rayong feeds gas to two JBIC-financed power plants, Gulf SRC Power Plant and Gulf Pluak Daeng Power Plant. The terminal, combined with previous oil spill incidents, has **immensely affected the fishery community resulting in the loss of their livelihood. The coming and going of vessels using the terminal has led to biodiversity loss.** After an oil spill incident in the area, krills (the main fish in this area) disappeared. Crabs are still present but finding them requires further travel. Fisherfolk used to pull in tons of large-head hairtail per catch, another important species for Rayong's economy, but now catch only a few kilograms. **These diverse species, which are an important source of food and the local economy, have been destroyed. Yet, there has never been any compensation for the way of life and the natural resources lost over the years. There are growing concerns that this terminal could further devastate the already struggling fishing community, which has endured numerous hardships.**

Communities had to stand up and fight to demand fair compensation, including environmental restoration plans. However, there has been no action by governmental agencies or private companies. It is clear that these projects damage the quality of life of Rayong people.

Manop says:

Compensations were never offered. It has never happened since the reclamation of Map Ta Phut from Phase 1, Phase 2, to Phase 3. The problems fisherfolk have been facing that affected their way of life, their living area, have never been resolved. Fisherfolk community had to stand up and fight to demand fair compensation for themselves.

²⁷ The story from Thailand is written based on this article (Prachatai, 2024. ๒๕๖๖:๒๕๖๖) and local news reports. The story from Thailand is written based on this article (Prachatai, 2024. ๒๕๖๖:๒๕๖๖) and local news reports. <https://prachatai.com/journal/2023/07/105251>, with additional interviews with local communities.

Mozambique

Now we have nothing here.



A coastal village that no longer exists because of forced resettlement for the gas project. ©Justiça Ambiental

JBIC-Financed Project:

Mozambique LNG

Amount of JBIC financing:

USD 3.5 billion²⁸

How's the Project Harming Communities?

- Social injustice and human rights infringements on Mozambican citizens
- Forced resettlement and fractured communities
- Loss of livelihoods for fishing and farming families
- Unfulfilled compensation promises and economic hardships

JBIC supports the Mozambique LNG project directly with a \$3 billion loan²⁹ and through a loan of \$536 million to Mitsui,³⁰ a Japanese corporate group which is involved in the development.

The Mozambique LNG Project is **linked to violent conflict, has resulted in social injustices on Mozambican citizens,³¹** and is a potential source of massive carbon emissions.³² It has already cost the country productive lands, local economies, and valuable natural areas. If it proceeds, despite becoming the biggest gas project in Africa, it will deliver low revenues to its host country^{33 34} and place the country at risk of liability if it fails.³⁵ The project is also at risk of becoming stranded.

The Project

The project intends to extract 65 trillion cubic feet of natural gas. Gas will be extracted offshore in the Rovuma Basin and piped to an onshore LNG processing plant on the Afungi Peninsula. The project began its onshore construction activities in 2019 but was suspended in 2021 as a result of violent conflict. It has not officially resumed, but some of its activities have been restarted since 2023. **The insurgency in the region remains active,³⁶ and human rights infringements resulting from the project activities remain unresolved.** The project is owned by a consortium of seven companies, only one of which is African – the Mozambique state company Empresa Nacional de Hidrocarbonetos (ENH). All except ENH control their shares through offshore companies. TotalEnergies is the majority owner and operator.

The Financing

Investment in the project totals \$20 billion, of which \$14.9 billion is financed by 8 export credit agencies including JBIC, 19 commercial banks, the Development Bank of South Africa, and the African Development Bank. The final investment decision was made two years after the insurgency in the province became violent.

On July 16, 2020, JBIC signed a \$3 billion loan to finance the Mozambique LNG project through Moz LNG1 Financing Company Ltd., based in Abu Dhabi, UAE. Later, on February 16, 2021, JBIC signed a \$536 million loan with Mitsui & Co., Ltd. to support the company's involvement in the project.

Economically, the project poses significant disadvantages for Mozambique, including low and delayed revenues, unethical tax avoidance that could cost Mozambique billions, and the risk of economic liability.

The Human Rights Infringements

More than 550 families were forced to leave their homes and lands and resettle elsewhere. More than 5,000 people who depend on the sea for their livelihoods will be impacted.³⁷ The project promised families and people who lost their land in communities affected by the LNG project in Palma the right to receive machambas (replacement land) for the practice of agriculture. However, a number of issues emerged during the process.

Fisherfolk, who once relied on the sea, find themselves relocated inland, stripped of their access to the waters that sustained their livelihoods. Even those who managed to stay near the coast are often barred from accessing the sea, their fishing grounds now out of reach.

For the families resettled by the project, **the promise of replacement farming fields has often proven hollow. Some families have not been allocated any land at all,** while others have been given plots that are not arable or that still belong to other



Left: Communities who lived and worked close to the sea shore along the Afungi peninsula were relocated when their land rights were allocated to the gas project. ©Justiça Ambiental. Top Right: Fish and shellfish are harvested by coastal communities and sold to inland communities. These foods are an important aspect of regional nutrition ©Justiça Ambiental. Bottom right: In traditional coastal communities, all family members participate in different ways in collecting food - it is a way of life, not a "job" to do within set times ©Justiça Ambiental

²⁸ The precise amount is \$3,536,000,000.

²⁹ Japan Bank for International Cooperation. 2020. "Project Financing for Mozambique LNG Project (Rovuma Offshore Area 1 Block)".

³⁰ Japan Bank for International Cooperation. 2021. "Loan for Development of Mozambique LNG Project (Rovuma Offshore Area 1 Block)".

³¹ Halsey et al. 2023. Navigating Decisions: The risks to Mozambique from liquefied natural gas export projects. International Institute for Sustainable Development (IISD)

³² Wensing A. 2022. Fuelling the Crisis in Mozambique: How Export Credit Agencies contribute to Climate Change and Humanitarian Disaster. Friends of the Earth Europe and Justiça Ambiental / Friends of the Earth Mozambique

³³ Lépez & West. 2021. Too Late to Count: a financial analysis of Mozambique's gas sector. Open Oil.

³⁴ van Teeffelen & Kiezebrink. 2023. The treaty trap: tax avoidance in Mozambique's extractive industries; the gas companies. Centre for Research on Multinational Corporations (SOMO) and The Centre for Democracy and Development (CDD).

³⁵ Salvatore and Gubeissi. 2024. Billion-dollar exposure: Investor-state dispute settlement in Mozambique's fossil fuel sector. Columbia Center on Sustainable Investment, Friends of the Earth Europe.

³⁶ ACLED, ongoing reporting, "Cabo Ligado". Armed Conflict Location & Event Data (ACLED)

³⁷ Mozambique LNG project. 2020. ESHIA Executive Summary and Update. (Environmental, social and health impact assessment - ESHIA)

Mozambique

owners. Some lands are so far from the new homes that they are impractical to use, leaving families struggling to cultivate their crops. Neto Agostinho Paulo from Macala village says:

When they [TotalEnergies] took our areas (the forests and the fields), they didn't want to pay us. They denied it. They're saying they've already paid all the money. But here in Macala we still haven't got any money. The children are starving and we don't know where to open fields.



Traditionally, families live on extensive homesteads with their machambas (farmlands) near their homes. ©Justiça Ambiental

storms, driven by climate change, have battered the area, causing further disruption and damage.

In September 2024, Politico reported that a Mozambican army unit operating near the Mozambique LNG project site carried out a series of atrocities, including rape, torture, and the murder or disappearance of at least 97 people. The article also reports that TotalEnergies was aware of allegations of human rights abuses by the army in the wider area, while it paid a Joint Task Force made up of army soldiers, commandos, and paramilitary police for its LNG site protection. This raises huge questions for financiers like JBIC about financing a project linked not just to climate destruction, but to horrific human rights abuses, with the possibility that more atrocities will come to light.³⁸

Anabela Lemos, Justiça Ambiental says:

The Mozambique LNG project has destroyed local ways of living, and impoverished communities who are already vulnerable to climate extremes and political violence. It has forced a country into further debt and risk through unfair and unethical financial and legal obligations. It does not bring development to Mozambique's people.

³⁸ Alex Perry. 2024. 'All Must Be Beheaded' Revelations of Atrocities at French Energy Giant's African Stronghold. Politico. See also Joint NGO statement: International NGOs call for immediate official investigation into reports of series of atrocities committed by Mozambican security forces near TotalEnergies' Mozambique LNG premises

The compensation payment process itself has been fraught with issues. Many families are still waiting for the promised payments, leading to conflicts within households. Some families have been forced to vacate their lands within 30 days of signing agreements, but without a deadline for receiving their compensation. In numerous cases, the actual payments received are significantly lower than what was agreed upon.

Juma Issa from the Nsemo area says:

They [TotalEnergies] told us that because of the agreements we signed – in 2023 – we will receive houses in Quitunda (resettlement village). To this day we haven't received the houses or any kind of support. In Nsemo we used to live on our own land, produce our own food, send our children to schools and madrassas. All this coexistence has been ruined, and now we have nothing here, even in Nsemo. We are asking for help.

The procedures implemented have often been unfair, showing a lack of respect for local cultures and social structures. This has led to conflicts within households, particularly where educational and literacy levels vary among family decision-makers. Furthermore, **the violent conflict in the region has only heightened the need for refuge, forcing more families to seek safety.** Compounding these challenges, increasingly intense

Philippines

We are facing a very difficult life



AG&P Linseed LNG import terminal. ©CEED

JBIC-Financed Project:

AG&P Linseed LNG import terminal

Amount of JBIC financing:

USD 100 million³⁹

How's the Project Harming Communities?

- Destruction of marine biodiversity
- Water pollution and environmental law violations
- Declining fish catch and loss of livelihoods
- Displacement of coastal communities

The Verde Island Passage (VIP), dubbed the “Amazon of the oceans,” is a marine corridor teeming with life. Nestled at the heart of the Coral Triangle, it boasts the highest concentration of shorefish species in the world, over 300 coral species, underwater rock canyons, and reef formations. The VIP provides sustenance and livelihoods to over two million Filipinos.

However, this paradise is in peril. Batangas province, situated within the VIP, has become a hotspot for fossil gas expansions. International financial institutions such as Japan's JBIC are driving this destructive agenda. In 2019, JBIC and Osaka Gas jointly invested a total of \$100 million in Atlantic Gulf & Pacific (AG&P) for its gas distribution and liquefied natural gas (LNG) import terminals. This financing is putting the delicate biodiversity and livelihoods of countless communities at risk.

Fisherfolk, faith-based groups, youth, and civil society groups are taking a stand against fossil gas and LNG development in Batangas. They warn of the impacts: water pollution, thermal pollution, freshwater shortages, increased shipping activities, loss of flora, and displacement of coastal communities.

Even before commercial operations began, AG&P's Linseed import terminal impacts were already evident. Research conducted in 2022 revealed **alarming levels of pollutants, including heavy metals like phosphates, chromium, copper, and lead, in the water near the gas facility construction site.**⁴⁰

³⁹ This is the financing amount of a joint investment by JBIC and Osaka Gas in AG&P, whose subsidiary, Linseed, is the project proponent.

⁴⁰ See Ethel Wagas and Brent Ivan Andres. 2022. Marine Ecology Assessment Along the Coast of a Fossil Gas-fired Power Plant and LNG Terminal within the Verde Island Passage, Northern Philippines. Center for Energy, Ecology, and Development and Caritas Philippines; Ethel Wagas and Brent Ivan Andres. 2022. The Trend of Water Quality in the Heavy Industrial Area of Batangas Bay East, Verde Island Passage, Philippines and its Surrounding Areas. Center for Energy, Ecology, and Development and Caritas Philippines.

Philippines



Marine life in the Verde Island Passage ©CEED

While fish biomass in the area remains high, **marine biodiversity and fish abundance have declined compared to other parts of the VIP**. In 2024, the Court of Appeals issued a decision on a Continuing Mandamus case filed by groups including Protect VIP, The Center for Energy, Ecology, and Development (CEED), and Bukluran ng mga Mangingisda sa Batangas (BMB). It urged the Department of Environment and Natural Resources to issue guidelines on the designation of non-attainment areas in the VIP under the Clean Water Act, which entails preventing new sources of pollution in sites that already exhibit high levels of pollutants.

The terminal has been subject to five complaints due to permit violations related to the cutting of coconut trees, land conversion, and environmental compliance. Notably, the Philippines' Department of Agrarian Reform issued a cease-and-desist order in August 2022 after confirming Linseed's premature land conversion.

Determined to hold those responsible accountable, BMB, fisherfolk leaders with the Protect VIP network filed a complaint with JBIC in December 2023. The complaint pertains to the bank's failure to monitor AG&P's compliance with Philippine laws, failure to properly classify the environmental sensitivity of

the project, and failure to take action as demanded by their own guidelines: "JBIC Guidelines for Confirmation of Environmental and Social Considerations."

Rodrigo de Jesus, President of Solidarity of Fisherfolk in Batangas, explains:

When banks like JBIC fund destructive projects like the LNG terminal of AG&P, they are also funding the loss of livelihood of fisherfolk like us. We trust that they will be thorough in the conduct of this investigation. On our part, we will be vigilant to make sure that fisherfolk and communities in the VIP are given justice.

JBIC commenced an investigation into potential violations in February 2024. This is the first time the bank has acted on a complaint and request for investigation into an LNG project. As of writing, the complainants are awaiting a decision from the JBIC Examiner for Environmental Guidelines.

To take this mission further, fisherfolk leader Maximo "Ka Simo" Bayubay traveled to Japan in June 2024 to demand financiers to stop fossil fuel financing. His travels included a visit to JBIC where he expressed the challenges faced by fisherfolk.

Bayubay shared the following in a press conference in Japan:

We the fisherfolk in the VIP are facing a very difficult life. We are crying for help. Aside from declining fish catch, fossil gas (projects) are sprouting here and there, producing very dirty emissions that are dangerous to human health and polluting the Verde Island Passage.

Despite numerous concerns, JBIC continues to partner with corporations under the guise of decarbonization while promoting fossil gas and other false solutions in the Philippines. JBIC recently signed a memorandum of understanding with San Miguel Corporation and Aboitiz.

All of these actions by Filipino communities send a strong message to JBIC and the government of Japan that **the pursuit of fossil gas projects is unacceptable and will be met with resistance – voices of communities should be listened to**. The complaint is a crucial step towards holding corporations and financial institutions accountable for their role in harming the environment and local communities.



Top: Maximo Bayubay in a fluvial protest ©CEED Bottom: Protesters in front of JBIC office in Manila ©CEED

Ecological Risks to the Mekong River Delta



Protest demanding that the Vietnamese government free Hoang Thi Minh Hong by people in Dhaka, Bangladesh

JBIC-Financed Project:

Block B - O Mon

Amount of JBIC financing:

USD 415 million

How's the Project Harming Communities?

- Ecological risks to the Mekong River Delta
- Increased toxic emissions
- Endangered livelihoods of local communities
- Suppression of climate defenders

Japan is financing Vietnam's largest gas project of its kind – the Block B - O Mon Gas-to-Power Project Chain.

In July 2024, JBIC decided to co-finance \$415 million – nearly half of the \$832 million in syndicated loans provided – for the construction of Vietnam's Block B gas field off the shore of Kien Giang province. The money will go towards jumpstarting field development and the construction of the pipeline connecting the gas field to onshore gas-fired power plants. Overall costs for development are estimated to exceed \$10 billion.⁴¹ Production is scheduled to begin in late 2026, with a capacity estimated at 490 million cubic feet per day.

As part of the Block B - O Mon Gas-to-Power Project Chain, the gas extracted from the Block B gas field will solely fuel gas

plants in the 3.81-GW O Mon Power Complex. The O Mon Power Complex is located in Can Tho City along the Hau River, one of the two major tributaries of the Mekong River. This river is home to critically-endangered species like the Irrawaddy dolphin. It is also home to some of the largest freshwater fish in the world, many of which are also critically-endangered – the Mekong Giant Catfish, the Mekong Freshwater Stingray, and the Giant Barb, among others.⁴² This also serves as a migration route for many economically-significant fish species such as the Pangasius fish, which not only serves as an important food source for Cambodia, Laos, and Vietnam, but is also one of Vietnam's major exports.⁴³

The development of the O Mon Power Complex, which will be the third-largest gas power complex in Vietnam, will put the vulnerable ecology of the Mekong River Delta at risk.



Satellite view of the O Mon Power Complex along the Hau River in Can Tho City, Mekong Delta Region. The 3.81-GW O Mon Power Complex will be fueled by the gas extracted from the JBIC-funded Block B gas field project off the coast of Kien Giang province in Vietnam. (Photo taken from Google Maps, ©2024 Airbus, CNES / Airbus, Maxar Technologies)

While it has lower carbon dioxide emissions than coal plants, fossil gas plants **could leak** methane, which has 80 times the heat-trapping potential of carbon dioxide over the first 20 years it is released into the atmosphere. **They also emit toxic chemicals such as sulfur dioxide and mercury into the surroundings.** Sulfur dioxide causes acid rain, acidifying lakes and rivers and affecting reproduction and health of wildlife. Mercury is a toxic metal that is absorbed and accumulated by fish and other organisms, endangering the health of people along the Mekong River and beyond who depend on fish as a major food source. In addition, the discharge of warm water from the O Mon Power Complex can negatively affect the vulnerable ecosystem of the Hau River.⁴⁴

This gas development takes place against the backdrop of Vietnam's crackdown on climate defenders and energy experts. In June 2024, Vietnamese energy expert Ngo Thi To Nhien was sentenced in a closed-door trial to 3.5 years in prison. The fact that Nhien worked closely with the Vietnamese government to help secure the \$15.5 billion Just Energy Transition Partnership (JETP) provided her no immunity against an unjust sentencing.⁴⁵ Nhien's sentencing is the most recent of a series of arrests of high-profile environmental experts that include the Goldman Environmental Prize winner Nguy Thi Khanh, Obama Foundation scholar Hoang Thi Minh Hong, environmental lawyer Dang Dinh Bach, Mai Phan Loi, and Bach Hung Duong. Their arrests have created a chilling effect, further preventing

Vietnamese people from speaking against the negative impacts of fossil fuel expansion in their country.

The Mekong Delta Region is one of the most climate vulnerable areas in the world. As the meeting point of the Mekong River and the seas of Southeast Asia, and as a major food-producing region, what happens in the Mekong Delta will inevitably affect all the peoples of Southeast Asia. But the region remains at risk, with Vietnamese climate defenders being jailed for trumped-up charges and foreign financiers like JBIC taking advantage of this silencing of the Vietnamese people.



People in solidarity with Hong

⁴¹ S&P Global. 2023. "Vietnam's Block B&S2 may not start gas output before 2029 on funding crunch."
⁴² Ut VN, Van Hoa A, Vinh HP. 2020. "Status of fish biodiversity and fishing on Hau River, Mekong Delta, Vietnam." Ann. Limnol. - Int. J. Lim. 56: 14.
⁴³ Tran NT, Labonne M, Chung M-T, Wang C-H, Huang K-F, Durand J-D, et al. 2021. Natal origin and migration pathways of Mekong catfish (Pangasius krempfi) using strontium isotopes and trace element concentrations in environmental water and otoliths. PLoS ONE 16(6): e0252769.
⁴⁴ Public Service Commission of Wisconsin. Environmental Impacts of Power Plants.
⁴⁵ The Vietnam Climate Defenders Coalition. 2024. Statement: The Unjust Sentencing of Vietnamese Energy Expert Ms. Ngô Thị Tố Nhiên.



James Hiatt talking about the adverse effects of LNG ©Fossil Free Japan.

JBIC-Financed Project:

Cameron LNG and Freeport LNG

Amount of JBIC financing:

USD 5.1 billion
in total

How's the Project Harming Communities?

- Health hazards from harmful emissions
- Decline in local fisheries and livelihoods
- Explosions and safety risks
- Unfair tax exemptions and lack of local benefits

LNG development causes serious health hazards. While methane is the main component of LNG, LNG facilities emit many other harmful substances, such as sulfur dioxide (causing wheezing, shortness of breath, and chest tightness), soot (causing asthma and heart attacks), and carbon monoxide (damaging organs and tissues) during the export process. Benzene, also emitted from LNG facilities, damages nerve tissues and can cause cancer.

Since it began operation, Cameron LNG in Louisiana, financed by JBIC, has experienced 67 incidents of leakage of hazardous substances such as methane, volatile organic compounds, benzene, and other harmful pollutants.⁴⁶ James Hiatt, the founder of the community-based organization For A Better Bayou, expressed anger, saying, “LNG operators don’t even comply with regulations.”

At Freeport LNG in Texas, an explosion occurred on June 8, 2022, releasing about 3,400 cubic meters of methane, causing adult and child injuries with the blast.⁴⁷

An investigation revealed that Freeport LNG was operating with 94 staff shortages at the time of the incident, with employees working 12-hour shifts, causing fatigue.⁴⁸ Melanie Oldham, a resident of Freeport, laments, “**Despite making billions of dollars, LNG companies can’t even spend what’s necessary to ensure safety.**” Even before the explosion, residents of Brazoria County, where Freeport LNG is located, faced cancer risks 22 times higher than U.S. Environmental Protection Agency’s standards due to long-term industrial pollution exposure.⁴⁹

Roishetta Ozane, the founder of grassroots organization Vessel Project of Louisiana, states:

We don’t need any more LNG facilities in Southwest Louisiana. We are already overburdened, with pollution, with polluting industries. We can’t take it anymore. Our children are dying, our elders are dying. Japanese government, please listen to the people who live in these communities, and don’t invest in any more of these facilities.

LNG development is having a devastating impact on fisheries as well. Travis Dardar, who has been fishing since he was six years old, said, “There is no doubt that LNG development is affecting our livelihoods.” After moving to Cameron as one of the first American climate refugees, he is now fishing in Calcasieu Lake, where Cameron LNG is located. “LNG transport ships pass through and destroy our fishing gear, and there’s no compensation for that.” The development of LNG facilities has reduced the places where boats can dock, making fishing even more difficult.

“My grandpa told my grandma, get the boy ready, he’s coming fishing. My grandma sat at the end of that bed, looking out the window, crying. She said, no, no, no. And my grandpa said, boy, get him ready. She fixed me two cheese sandwiches and put my clothes together, and out the door I went, I’ve been fishing ever



Roishetta Ozane talking about negative health impacts of LNG ©Dayna Reggero

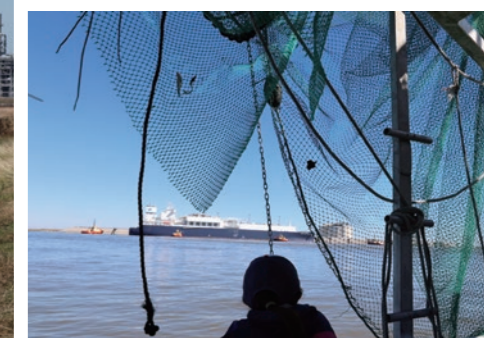
since.” says Dardar. “Even the cheese tasted better back then.”

Calcasieu Lake was once rich in seafood like shrimp and oysters, but the construction of LNG terminals, increased ship traffic, harmful emissions, and construction in fishing areas have reduced catches. Hiatt reports that while the annual shrimp catch was about 320,000 kilograms (700,000 pounds), it was only about 22,000 kilograms (50,000 pounds) in 2023, a decline of over 90%. “By the time all the LNG plants are up, there won’t be any fish left. If the LNG business is so great, **why is the fishing industry declining while only the LNG company executives get rich?**” Dardar criticizes.

⁴⁶ Louisiana Bucket Brigade. 2022. “Gas Export Spotlight: Operational Problems at Cameron LNG and Calcasieu Pass.”
⁴⁷ Amanda Drane. 2022. “Gulf Coast residents fear they live in ‘sacrifice zone’ for booming natural gas industry.” Houston Chronicle.
⁴⁸ IFO Group. 2022. Loss of Primary Containment Incident Investigation Report.
⁴⁹ Al Shaw and Lylla Younes. 2021. The Most Detailed Map of Cancer-Causing Industrial Air Pollution in the U.S. ProPublica.



An LNG terminal and LNG carriers in Southwest Louisiana. ©Fossil Free Japan





Travis Dardar steering a fishing boat ©Fossil Free Japan.

LNG companies that destroy local fisheries claim they will create jobs to gain local support before starting operations. For example, Freeport LNG was granted a tax exemption of about \$1.1 billion under the pretext of creating 188 jobs, which amounts to about \$5.99 million per job.⁵⁰ However, local community members say most of the jobs at the LNG terminals are filled by people from outside the area, and not even all those positions end up getting filled. From their perspective, the LNG terminal gets massive tax exemptions yet brings little if any local job creation, and plenty of harmful emissions. Oldham says, **“We residents get almost no benefits from LNG terminals. Yet, we have to live every day with danger and risk.”**

Hiatt shares a similar view:

We do know what happens with respiratory, cardiovascular disease and cancer in communities. We've seen that. If I have a message to give to the people of Japan, and banks of Japan, we are in a crisis that we are all in. The truth is, we cannot afford to continue down the path to more fossil fuel dependency. The path has created a lot of wealth for so few companies but not so many people. These LNG don't pay any property tax. We had a hurricane three years ago, many of these facilities could be spending to fix things. But they are not. Because they are able to make profits without having to pay property taxes.



Top: Marshland surrounding LNG terminals. ©Fossil Free Japan
Bottom: A dolphin swimming in Calcasieu Lake. ©Fossil Free Japan

⁵⁰ Better Brazoria. 2023. Press Release: New Study Shows Local Government Gave \$2.16 Billion In Corporate Tax Breaks To 14 Brazoria County Polluters.

Conclusions and Recommendations

Stories from communities around the world clearly demonstrate that JBIC's LNG financing not only exacerbates climate change, but also destroys communities' lives, erodes biodiversity, and violates fundamental human rights. It is clear that fossil gas projects do not contribute to development; they exacerbate environmental degradation and social injustices and undermine sustainable development.

Therefore, the Japanese government and/or JBIC must:

- 1. Keep their G7 commitments** and end direct public support for overseas fossil fuel projects. Moreover, Japan and JBIC **must publicly commit to not finance new fossil gas projects, without any loopholes** such as abated fossil fuel projects, energy security, alleged alignment with the 1.5°C limit, and geostrategic interest.
- 2. Listen to concerns from communities** affected by existing fossil gas and LNG projects and those under construction. Ensure swift and appropriate actions be taken in order to solve the problems the communities are facing, in accordance with JBIC Guidelines for Confirmation of

Environmental and Social Considerations. If the projects are devastating to the local environment and communities, as exemplified in the cases here, suspend the disbursement or declare all the outstanding principal at the time, with interest and any other charges thereon, to be payable immediately.

- 3. Agree to extend the existing prohibition** on support for new coal-fired power generation to include all fossil fuels, including fossil gas, in Article 6 of the Arrangement on Officially Supported Export Credits under the OECD.
- 4. Contribute to climate finance in public finance** for the New Collective Quantified Goal under the United Nations Framework Convention on Climate Change, ensuring that Global North governments collectively provide \$5 trillion annually to support a just energy transition in the Global South.

What Can We Do?



Join Our Petition

Join our petition to stop massive Japanese financing of harmful LNG projects. Please share widely among your friends.



Learn More

Additional stories, videos and photos as well as an interactive map of LNG projects financed by JBIC is available on the website. You can visit via QR code here.





**FACES OF IMPACT:
JBIC and Japan's LNG Financing Harms
Communities and the Planet**

October 17, 2024

This report was written by Hiroki Osada (Introduction, United States, Conclusions and Recommendations), Hozue Hatae (Indonesia) from Friends of the Earth Japan, Makiko Arima from Oil Change International (Introduction), Jonathan Moylan from Australian Conservation Foundation (Australia), Sadia Rowshon Adhora from Coastal Livelihood and Environmental Action Network (Bangladesh), Eva Garofalo from Tall Cedar Consulting (Canada), Muandao Kongwanarat from Solutions for Our Climate (Thailand), Rehana Dada from Justiça Ambiental (Mozambique), and Eliana Lorenzo, Angelica Dacanay (Philippines), and Joshua Lopez (Vietnam) from Center for Energy, Ecology, and Development.

Edited by Hiroki Osada
Copyedited by Meara Kirwin
Design by Minami Hirayama

For JBIC financing figures, this report uses data from the Public Finance for Energy Database, for which a full methodology is available here (<https://energyfinance.org/#/about>).

Suggested Citation

FoE Japan et al. 2024. Faces of Impact: JBIC and Japan's LNG Financing Harms Communities and the Planet.

Acknowledgement

The authors are grateful to the following reviewers, contributors and all the interviewees: Chief Na'Moks (the Wet'suwet'en Nation, a respected leader and land defender), Emiko Newman (BC Climate Emergency Campaign), Katherine Hahn and Trevor Caroll (Gulf South Fossil Finance Hub / Texas Campaign for Environment), Ayumi Fukakusa (FoE Japan), Kaniz Rabeya (CLEAN), Claire O'Manique, Valentina Stackl, and Susanne Wong (Oil Change International), Sharif Jamil (Waterkeepers Bangladesh), Roishetta Ozane (Vessel Project of Louisiana / Gulf South Fossil Finance Hub), James Hiatt (For a Better Bayou), Kate DeAngelis (FoE US), Kete Mirela Fumo (Justiça Ambiental), Georgia Millar and Tom Swann (Sunrise Australia), Munira Chowdhury and Bernadette Maheandiran (Market Forces), Liang-Yi Chang (350.org), and Inés Alberico (Reclaim Finance).

In Cooperation with



Cover photos: (Top) Phobthum Yingpaiboonsuk for CEED. (Bottom Right) Dayna Regerro and Miles Tweedie Photography. (Bottom Left) CEED.
Back Cover Photo: Phobthum Yingpaiboonsuk for CEED.