

«Addressee»

«Title»

«FI»

Subject: NGO query: «FI»'s intention to finance proposed coal power plants and their developers

[Thursday, 18th July 2024]

Dear «Addressee»,

On behalf of [Inclusive Development International](#), [Recourse](#), [BankTrack](#) and the signatories to this letter, we are writing to urge «FI» to rule out financing of any kind to any coal developer engaged in expansion of coal power capacity.¹ We have identified a list of 44 proposed coal power projects that are currently seeking financial coverage, representing significant coal power capacity expansion. Based on our research, «FI» is likely to be approached to finance some of these.

Our research suggests that your bank is likely to be approached to sponsor new coal projects that have yet to reach financial close. This may be either directly, through project financing, or via general-purpose corporate lending which the project sponsors would use for coal developments. The full list of these pre-financial close coal plants is available here.² Our analysis takes into account the geographic concentration of your bank's past financing for coal projects and/or developers; financing for developers of these proposed projects; and past project financing for similar projects (in terms of megawatt output, location, and similar factors).

Based on these factors, we identified your institution as a bank that has previously financed the coal projects of the companies currently developing new coal plants, or as a bank that is among the world's leading coal financiers. We are concerned about «FI»'s potential financing of «FI_projects».

The undersigned are deeply concerned about the impact of coal power development on people's skin, heart and respiratory health, their human rights (including Indigenous Peoples' rights) to consent to projects that threaten their livelihoods and security, precious biodiversity, water resources, and the climate. The annex provides further detail on these impacts.

Precedent shows us that coal projects' human and environmental damages are vast. Coal projects that operate with the same technology as those identified in our list – and created by the same developers in the same areas – have caused displacement, deforestation, loss of

¹ We use Reclaim Finance's definition of expansion in its [Coal Policy Tracker](#): the ideal is an exclusion of companies planning or building new thermal coal mines/plants (≥100MW)/infrastructure, additional exclusion of companies purchasing existing coal assets without clear commitment to close them and companies selling equipment for new coal projects.

² This dataset excludes China's coal fleet.

livelihoods, thousands of premature deaths, water pollution and irreparable damage to aquatic life. The proposed coal developments that we have identified are thus unacceptable investments, as are fossil fuel developments in general, given their human and environmental impacts. While we focus on expansion, we urgently call for all fossil banks to drop all coal commitments, and align their policies with [all Reclaim Finance's policy prescriptions](#) for responsible bank coal policies, covering project and corporate finance, phase-out, and metallurgical coal, besides expansion.

Crucially, the projects will not materialise without the financial support of institutions like yours. «FI» should commit not to support these projects, and to rule out financing any company engaged in coal power expansion activity. It should instead contribute to the energy transition in the form of 100% renewable energy capacity investments and early decommissioning of coal assets. Climate scientists uniformly deem these steps necessary to keep climate targets within reach.

We also seek an opportunity to meet with you and to further discuss the impact of these coal projects and «FI»'s intention to support a just transition to renewable energy that is rights-based, ensures continuity of livelihoods for communities in and around coal plants, and that does not entail further destruction of the environment (for example, through false solutions such as co-firing of ammonia or biomass to extend coal plant life).

Please note that we keenly await your answer on this call before [\[August 31st\]](#). Note that we intend to publish your stated intentions regarding the financing of coal expansion as well as this list of coal projects on a new website to launch this fall.

Please direct your response to camilla@banktrack.org by [August 31st](#).

With kind regards, on behalf of the undersigned organisations,

1. Amadiba Crisis Committee | South Africa
2. Asia Indigenous Peoples Network on Extractive Industries and Energy (AIPNEE) | Asia
3. Auriga | Indonesia
4. Australian Forests and Climate Alliance | Australia
5. Bank Climate Advocates | United States
6. BankTrack | Netherlands
7. Biofuelwatch | United Kingdom
8. Center for Energy, Ecology, and Development (CEED) | Philippines
9. Center of Economic & Law Studies | Indonesia
10. Centre for Financial Accountability (CFA) | India
11. CERAH | Indonesia
12. Climate Watch Thailand | Thailand
13. Comite Schone Lucht (Clean Air Committee NL) | Netherlands
14. Eko | Philippines/Asia
15. Environment and Conservation Organisations of New Zealand | New Zealand

16. EPN Finance Working Group | International
17. Fair Finance Asia | Asia
18. Fair Finance Belgium | Belgium
19. Fair Finance Guide Sweden | Sweden
20. Fair Finance International | International
21. Fair Finance Pakistan (FFP) | Pakistan
22. Fair Finance Thailand | Thailand
23. Friends of the Earth Japan | Japan
24. Global Justice Now | United Kingdom
25. GreenWatch.ai | Ireland
26. Groen Pensioen | Netherlands
27. Inclusive Development International (IDI) | United States
28. Indigenous Environmental Network | United States
29. Kiko Network | Japan
30. Leave it in the Ground Initiative (LINGO) | International
31. Leefmilieu | Netherlands
32. LPESM Riau | Indonesia
33. Market Forces | Indonesia
34. Mighty Earth | Japan
35. Money Rebellion | International
36. Movimento Laudato Si' - Brasil | Brazil
37. People of Asia for Climate Solutions (PACS) | Philippines/Asia
38. Pakistan Kissan Rabita Committee | Pakistan
39. Pena Masyarakat | Indonesia
40. Perhimpunan Pembela Masyarakat Adat Nusantara (PPMAN) | Indonesia
41. Philippine Movement for Climate Justice (PMCJ) | Philippines
42. Prakarsa (Policy Advocacy and Research Institute) | Indonesia
43. Profundo | Netherlands
44. Rainforest Action Network (RAN) | United States
45. Re-set: Platform for Socio-Ecological Transformation | Czech Republic
46. Reclaim Finance | France
47. Recourse | Netherlands
48. Right Energy Partnership with Indigenous Peoples (REP) | Philippines/Asia
49. Rinascimento Green | Italy
50. Serious People | UK
51. Sierra Club | United States
52. Socio-Ecological Union International | International
53. Stand.earth | Canada and United States
54. Tipping Point UK | United Kingdom
55. Trend Asia | Indonesia
56. Urgewald | Germany
57. WALHI - Friends of the Earth Indonesia | Indonesia
58. Women's Earth and Climate Action Network (WECAN) | International

Annex: Background

Burning coal for energy is, both currently and cumulatively, humanity's largest contribution to atmospheric greenhouse gases.³ It is the most carbon-intensive and polluting fuel and is currently responsible for over a third of global electricity generation, in spite of the danger it poses.⁴ The International Energy Agency (IEA) and UN Intergovernmental Panel on Climate Change (IPCC) agree that the coal, oil and gas reserves in existing fields and mines across the world far exceed what can be burned if we are to limit average global temperature rises to 1.5°C.⁵ This means that, to achieve the goals of the Paris Agreement, fossil fuel expansion must be stopped, most urgently coal expansion.

Financial support to the coal industry enables the destruction of people's livelihoods and further degrades fragile ecosystems. The coal industry relies on the financial industry to build its capital-intensive mining and power projects, as well as transport infrastructure. Banks' support for coal is slowly declining, but at a much slower pace than is needed. Urgewald's *Still Banking on Coal* report, released in May 2024, shows that \$470bn was given to coal developers between 2021 – 2023.⁶ This 20% decline from the 2016 amount of coal financing is wholly inconsistent with the much faster coal phase-out deemed necessary by the [IPCC](#), [IEA](#) and [other authorities](#).⁷ Retaining some chance of limiting global warming to 1.5°C above pre-industrial levels requires a "precipitous decline" in coal use.⁸

The financial industry must invest in renewables with much greater urgency. The IEA's widely-accepted roadmap for a global shift to clean energy advocates for a reversal in the current ratio of total financing for fossil fuels versus renewable energies. For every dollar invested in fossil fuel energy supply, six should go into renewable energy supply by 2030, with total renewable investments rising from \$2.8 trillion in 2023 to \$4.7 trillion by 2030.⁹ It is

³ IPCC (2022), 'Emissions Trends and Drivers'. In IPCC, 2022: Climate Change 2022: Mitigation of Climate Change. Contribution of Working Group III to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change. Cambridge University Press, Cambridge, UK and New York, NY, USA.
<https://www.cambridge.org/core/books/climate-change-2022-mitigation-of-climate-change/emissions-trends-and-drivers/82CFC42906149CC0F91311E9903F9FB8>.

⁴ IEA (2023) 'Coal Market Update, July 2023'.
https://iea.blob.core.windows.net/assets/6d364082-35fc-49cf-bf3e-c06a05a3445d/CoalMarketUpdate_July2023.pdf.

⁵ IEA (2023) 'IEA Net Zero Roadmap: A Global Pathway to Keep the 1.5°C Goal in Reach. 2023 Update', p.15.

<https://www.iea.org/reports/net-zero-roadmap-a-global-pathway-to-keep-the-15-0c-goal-in-reach>; IPCC, 'Climate Change 2022: Mitigation of Climate Change. Working Group III. Summary for Policymakers' (2022), 16, <https://www.ipcc.ch/report/ar6/wg3/>.

⁶ Urgewald (2024) 'Still Banking on Coal'. <https://stillbankingoncoal.org/view-report>.

⁷ Aside from the climate imperative, there is also a financial rationale for exiting coal in favour of renewables. Government subsidies for fossil fuels across the region will not mitigate the real risk of young coal units becoming stranded assets. The rapidly-diminishing cost of renewables is cutting their levelised cost of energy (LCOE) compared to fossil fuels. See: Caldecott, B. (2016) 'Stranded Assets and Thermal Coal: an analysis of environment-related risk exposure'. Smith School of Enterprise and the Environment. <https://www.smithschool.ox.ac.uk/sites/default/files/2022-04/satc.pdf>.

⁸ IEA (2021) 'Net Zero by 2050: A Roadmap for the Global Energy Sector'. p.162.
https://iea.blob.core.windows.net/assets/deebef5d-0c34-4539-9d0c-10b13d840027/NetZeroBy2050-A_RoadmapfortheGlobalEnergySector_CORR.pdf.

⁹ IEA (2023) 'IEA Net Zero Roadmap: A Global Pathway to Keep the 1.5°C Goal in Reach. 2023 Update', p.162.

also in the interest of the financial industry not to invest in dirty, expensive assets like new coal plants: with an operating lifespan in excess of 30 years, beyond when many countries worldwide will have phased out coal and reached net zero emissions, the risk of these projects becoming uneconomical, stranded assets is great.

These coal projects will also significantly increase disease, threaten the rights of locals, including Indigenous Peoples', and damage biodiversity. Coal projects are certain to worsen the lives of locals via a burden on the health, livelihood opportunities, water quality and housing security, among other impacts, of those people living close to plants.¹⁰ Coal's detrimental health impacts are felt to varying degrees across the gamut of generation types, from subcritical to ultra-supercritical coal-fired technology, and across all calorific values of coal. A 2017 Harvard study estimated that 20,000 deaths per year are associated with Southeast and East Asia's coal-fired power industry, with this number rising to 70,000 by 2030.¹¹ Air pollutants produced by coal-fired power affect the lungs primarily, but also damage cardiovascular, reproductive, cerebral, developmental and genetic health. Of all energy sources, coal emits the most harmful substances besides carbon dioxide, including nitrogen oxides, sulphur dioxide, heavy metals, and particulate matter.¹² These health impacts of course will remain true with the plants included in our dataset. The countries whose coal projects are listed in this dataset are also extremely climate-vulnerable: the Philippines, Indonesia, and India are identified as the world's most at-risk countries by the annual World Risk Index 2023, according to factors such as exposure, susceptibility and lack of adaptability to environmental risks – all exacerbated by the health and climate risks posed by these coal projects.¹³ In fact, two-thirds of the countries with coal expansion identified in our research are among the 15 countries at most risk of disaster.

Human Rights and Indigenous Peoples' Rights are at risk from this pipeline. There is clear precedent for this risk of coal plant development across India, Indonesia, Philippines and Vietnam. Land defenders have been killed and anti-coal campaigners have been physically assaulted in the Philippines for criticising coal development.¹⁴ Greenpeace confirms Philippines coal-fired power as “a major health hazard”, based on the health burden associated with 17 existing coal power plants and 29 planned ones.¹⁵ Widespread land dispossession and lack of compensation is commonplace for communities in India, and Indigenous groups such as the Adivasis in the protected elephant habitat of the Hasdeo

https://iea.blob.core.windows.net/assets/ce09d352-b18c-45a0-afb1-ad16ee357941/NetZeroRoadmap_AGlobalPathwaytoKeepthe1.5CGoalinReach-2023Update.pdf; Reclaim Finance (2024) '6-to-1, a ratio to successfully transform our energy system'.

<https://reclaimfinance.org/site/en/2024/02/06/61-a-ratio-to-successfully-transform-our-energy-system/>.

¹⁰ United Nations Environment Programme (2014) 'Human rights guidance tool for the financial sector: Power Generation'. <https://www.unepfi.org/humanrightstoolkit/power.php>.

¹¹ Koplitz, S. N. (2017) Air Quality in Southeast Asia: The Growing Threat of Coal Emissions and Land Use Change Fires to Human Health in a Rapidly Evolving Region. Doctoral dissertation, Harvard University, Graduate School of Arts & Sciences. <https://dash.harvard.edu/handle/1/37365505>.

¹² Gasparotto, J. & Martinello, K. (2021) 'Coal as an energy source and its impacts on human health'. <https://doi.org/10.1016/j.engeos.2020.07.003>.

¹³ Bündnis Entwicklung Hilft / IFHV (2023): WeltRisikoBericht 2023. Berlin: Bündnis Entwicklung Hilft. Source: <https://weltrisikobericht.de/en/>.

¹⁴ Global Witness (2019) 'Defending the Philippines'. Source: <https://www.globalwitness.org/en/campaigns/environmental-activists/defending-philippines/>.

¹⁵ Greenpeace Philippines (2016) 'Coal: a Public Health Crisis. Source: https://www.greenpeace.org/static/planet4-philippines-stateless/2019/05/f9425310-f9425310-coal_a_public_health_crisis.pdf.

Arand forest are being [displaced by Adani coal projects](#), the world's largest private coal developer. Massive coal capacity in Indonesia, like the two-gigawatt (GW) [Java 9 & 10](#) expansion of the Suralaya coal megaproject under construction or the planned 700 megawatt (MW) [Jambi 2](#) coal project in Sumatra, will entail the loss of precious Indigenous knowledge systems and land cultivation practices. Java 9 & 10 is estimated to lead to 4,700 premature deaths. Vietnam's coal developments such as [Vung Ang 2](#) and [Nghì Son 1 & 2](#) have caused grievous issues for communities, including repeated relocations of communities, and a systemic lack of consultation and free, prior and informed consent. The country also cracked down on environmental advocates, summarily jailing at least six activists in the two years after striking the JETP deal to secure billions of dollars from donor countries for the retirement of its coal fleet.¹⁶

¹⁶ Wee, Sui-Lee. 'Vietnam Relied on Environmentalists to Secure Billions. Then It Jailed Them.' *New York Times*. Nov 28 2023.
<https://www.nytimes.com/2023/11/28/world/asia/vietnam-cop28-environment.html>.