

17/12/2024

To:

Banks: Alfa Bank (Russia), Bank of America (United States), Barclays (United Kingdom), BayernLB (Germany), BBVA (Spain), China Construction Bank/CCB International Finance (China), Citibank/Citigroup (United States), Deutsche Bank (Germany), DNB (Norway), DZ Bank (Germany), Goldman Sachs (United States), Intesa Sanpaolo (Italy), JPMorgan Chase (United States), Kina Bank (Papua New Guinea), Mitsubishi UFJ Financial Group (Japan), Mizuho (Japan), Morgan Stanley (United States), Royal Bank of Canada (Canada), Santander (Spain), Standard Chartered (United Kingdom), Sumitomo Mitsui Banking Corporation (Japan), UBS (Switzerland).

Public financial institutions: Asian Development Bank (ADB), China Development Bank, Export Finance Australia, Export-Import Bank of China, Export-Import Bank of Korea (KEXIM), Export-Import Bank of the United States, Italian Export Credit Agency (SACE), Japan Bank for International Cooperation (JBIC), Korea Trade Insurance Corporation (K-SURE).

Re: Serious social, human rights, environmental, reputational and financial risks related to Papua Liquefied Natural Gas (Papua LNG) project.

We are a group of civil society organisations from Papua New Guinea and across the world. We want to alert you to the serious risks to communities, the environment and the climate associated with the Papua LNG project, a joint venture between Total Energies, ExxonMobil, Santos and ENEOS (JX Nippon). Any bank considering financing this project must consider these [concerns](#), which have been highlighted for the last two years.

According to the financial database IJGlobal, Japanese bank [MUFG](#) has been approaching other banks to progress the financing of Papua LNG. We urge your bank to immediately rule out financing this project and publicly announce your decision to avoid reputational and financial risks.

MUFG is not the first [financial advisor](#) for the Papua LNG project. The project's previous financial advisor, [Credit Agricole](#), ruled out financing the project in 2024, possibly due to the risks outlined in this letter. IJGlobal also reports that Societe Generale may have been an earlier financial advisor. At least [11 banks](#) have already ruled out the project, including all Australian and French banks that financed PNG LNG, the first LNG project in Papua New Guinea.

Six Papua New Guinean [organisations](#) have already been highlighting the climate, biodiversity and human rights risks of Papua LNG. International organisations that are experts in the financial sector and/or human rights standards, procedures, expectations and due diligence processes have also raised serious concerns. These concerns raised by organisations, individuals and advocates have been cited in media outlets such as [PNG Business Advantage](#) and the [Post Courier](#), [Le Monde](#), [Reuters](#) and the [Australian Financial Review](#). PNG organisations have raised concerns about whether communities have received accurate, in-depth and credible information about the project's environmental and climate impacts, or their rights to Free, Prior and Informed Consent under the United Nations Guiding Principles on Business and Human Rights (UNGPs), Equator Principles or International Finance Corporation (IFC) Performance Standards.

The Institute for Energy Economics and Financial Analysis (IEEFA) has [reported](#) on financial risks facing the Papua LNG project, including those related to market shifts and climate change. IEEFA also highlights the project's "history of uncertainty, political tensions and legal woes".

Papua LNG's total scope 3 emissions have been [estimated](#) at 220 million tonnes of carbon dioxide equivalent (MTCO_{2e}) over the project's lifespan. This would mean emissions from this single project would be equivalent to an entire year's emissions from Bangladesh - a country of 169 million people.

The project is in the Gulf Province, an area already hit hard by [climate change](#). In Orokolo Bay, some families have had to [move](#) multiple times to escape increasingly violent storms. The [project area](#) also includes 48 new-to-formal science species and one of the world's most endangered species. This renders it impossible to fully understand, let alone mitigate, biodiversity and extinction risks.

In July 2024, Fair Finance Japan issued a [report](#) titled 'Papua LNG in violation of ESG standards'. The study showed non-compliance with the Equator Principles, the IFC Performance Standards, the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct and other standards.

Given the substantial environmental, social, reputational, financial and human rights risks involved in the Papua LNG project, we, as civil society organisations, call on your bank not to provide project finance to the Papua LNG project or corporate finance to the companies involved.

Given [extensive early warnings](#) that the project does not meet key international law or industry standards, future financiers may face potential legal actions or non-judicial complaints. This may include claims for damages that exceed any gross profits financiers may make from the deal.

We thank you for considering this important issue. We would appreciate a confirmation from your bank before 10/01/2025. We also welcome a meeting with your team to discuss our concerns in further detail.

Sincerely,



Signatories

Centre for Environmental Law and Community Rights Inc. (CELCOR), Papua New Guinea

Japan Center for a Sustainable Environment and Society (JACSES)

Friends of the Earth Japan

Kiko Network

Solutions for Our Climate

Asian Peoples Movement on Debt and Development

Jubilee Australia Research Centre

ActionAid Australia

Market Forces

Reclaim Finance

Alofa Tuvalu

Liveable Arlington

Fridays for Future Uganda

Rainforest Action Network

Oil Change International

Friends of the Earth US

The Australia Institute

BankTrack

Urgewald

Nordic Center for Sustainable Finance

Stop Total

Tuvalu Climate Action Network

ANV COP 21

Mekong Watch

Indus Consortium Pakistan

Missão Tabita

Les Amis de la Terre France

Innovation pour le Développement et la Protection de l'Environnement

Bloom

Justice Institute Guyana

ReCommon