

EMBARGOED UNTIL: July 11, 2019, 0:01 AM CEST

AIIB Annual Meeting: NGO Coalition Calls on China-led Bank to End Fossil Finance & Produce Climate Change Action Plan

- **New Study: \$1.6 Bn Invested in Fossil Fuels, Only \$700 M in Renewables**
- **Clear Contradictions to Bank's Ambitions to be "Clean & Green"**
- **People from Affected Countries Warn of Harmful Development Model**

Luxembourg | July 11, 2019

Three years ago, the multilateral Asia Infrastructure Investment Bank (AIIB) entered the global development finance sector with high environmental ambitions. The bank's Chinese president Jin Liqun promised the institution would be „lean, clean and green“. For the bank's annual meeting taking place on Friday and Saturday in Luxembourg, NGOs from around the world show that the bank is undermining its own climate ambitions through backing fossil projects. The groups are demanding the AIIB makes a clear commitment to the 1.5 °C climate target the world's nations agreed to in Paris.

New research by the Bank Information Center Europe (BIC Europe) and The Big Shift Campaign¹ shows that,

- out of just over \$8 billion invested, 20% of the AIIB's funding or \$1.6 billion has gone towards fossil fuels, while only 8% (\$660 M) has gone to renewables.
- Looking just at the bank's energy lending, fossil fuels represent almost 60% of funding against just under a quarter for renewables.
- All of the AIIB's direct investments in fossil fuels support natural gas projects, responsible for greenhouse gas emissions, including from methane.
- Most of the funding for renewables went towards large-scale projects, including hydropower, that can cause significant negative environmental and social impacts.

All Results: <https://t1p.de/vd1p>

The NGOs call on the AIIB to:

- Develop a Climate Change Action Plan, with clear and ambitious targets for how it will align its policies and operations with the Paris Climate Agreement.

¹ More than 40 civil society groups from around the world support the initiative. For a list of all member organisations, see: <https://bigshiftglobal.org/about-us>

- Provide a road map for the AIIB to shift direct and indirect investments from fossil fuels to renewable energy by 2020, including ruling out all financing for coal and any investment that would result in increased coal use, and matching the World Bank's commitment to end financing for upstream oil and gas.
- Ensure all energy projects help lift more people out of energy poverty in a sustainable way, especially by scaling up support for decentralised renewable electricity and clean cooking solutions. This should exclude large hydro dams or nuclear power plants.
- Significantly enhance its social and environmental safeguards and monitoring. In order to avoid severe impacts for people and nature, the AIIB shareholders must advocate a strong, independent complaints mechanism and more transparency.

Anuradha Munshi from the Centre for Financial Accountability (India) says:

“Institutions like AIIB have been following in the footsteps of other MDBs of the past and are fomenting the climate crisis by investing in disastrous projects like fossil fuel energy sources. This is contributing to the worst water crisis and heat wave India has ever faced leaving thousands of marginalised communities on the verge of death and starvation. These institutions need to stop this exploitation in the name of sustainable development.”

Hasan Mehedi from the Coastal Livelihood and Environmental Action Network (CLEAN) in Bangladesh:

“The coastal zone of Bangladesh is currently facing adverse impacts of climate change. The AIIB's dirty investments are accelerating and aggravating these impacts.”

Rayyan Hassan, Executive Director of the NGO Forum on ADB (Philippines):

“Since its inception in 2016, the AIIB has financed fossil fuel-related transmission infrastructure. It has also continued to proliferate gas power plants in the Asia region, especially in Myanmar and Bangladesh. While AIIB has also invested in energy efficiency projects, there can be no half way measures to achieve a Paris alignment to 1.5 degrees. The AIIB must commit to a time bound phase out plan from all forms of fossil fuel investments.”

Kairos Dela Cruz from the International Centre for Sustainable Cities (Philippines):

“Southeast Asian countries expect the AIIB to set the gold standard in making investments to low carbon development, but a lot of work remains to be done. Policies and safeguards need to be in place in both the bank and accessing countries to ensure

that the money would flow to programmes that would ensure that future generations enjoy a world wherein they could thrive, not just survive. We call on the AIIB to shift finance out of fossil fuels and into sustainable, renewable energy.”

Kate Geary from the Bank Information Center - Europe (BIC Europe):

„Our evidence shows a heavy AIIB bias to fossil fuel projects over renewables. This should be unacceptable to European shareholders, for example the UK government which has just declared a climate emergency. The house is on fire - will the AIIB fuel the flames or help put them out?“

Knud Voecking from the German human rights and environment NGO Urgewald:

“We witness a very worrying trend in global development finance, initiated by the AIIB. Its standards for transparency, human rights and the environment fall well short of those of other multilateral banks. Already now, this leads to a 'race to the bottom' in environmental and social standards. Especially the European shareholders in the AIIB, who give the Bank international credibility, must stop this dangerous course.”

Jo Mountford, speaking for The Big Shift Campaign:

“According to the most recent IPCC report, fossil fuels need to be phased out urgently for us to meet the 1.5°C Paris Climate Agreement target. The AIIB needs to support clean and sustainable renewable energy which could help achieve the Sustainable Development Goal to provide energy access for all by 2030. It urgently needs to shift its energy finance out of planet-heating fossil fuels and into distributed, renewable energy projects that will provide clean energy for people across Asia.”

Ekkehart Schmidt from Etika Luxembourg:

“European shareholders in the AIIB like Luxembourg should use their influence and insist on compliance with minimum standards for environmental protection and human rights.”

Further Reading

- **Research Results on the AIIB's Fossil vs Renewables Finance:**
Report: <https://t1p.de/vd1p>; Infographic: <https://t1p.de/e46e>
- **Study on 3 Years AIIB:** <https://t1p.de/txxq>
- **Petition addressed to the AIIB's President Jin Liqun:**
<https://bigshiftglobal.org/aiib>

Contacts

- Anuradha Munshi, Centre for Financial Accountability:
+91 97924 11555, anuradha@cenfa.org
- Hasan Mehedi, Coastal Livelihood and Environmental Action Network:
+880 171670 2006, mehedi.coastline@gmail.com
- Rayyan Hassan, NGO Forum on ADB:
+63 9175117002, rayyan@forum-adb.org
- Kate Geary, Bank Information Center – Europe:
+44 7393 189175, kate@bic-europe.org
- Knud Voecking, Urgewald: +49 171 2832408, knud@urgewald.org
- Jo Mountford, Christian Aid & The Big Shift Campaign:
JMountford@christian-aid.org
- Ekkehart Schmidt, Etika Luxembourg: +49 163-8840548, es@etika.lu