Briefing Paper:
Two financial institutions divested from JBIC bonds, five reduced significantly - Risks of continuing fossil fuel support contrary to the Paris Agreement become apparent -

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Japan Center for a Sustainable Environment and Society (JACSES)

The Japan Bank for International Cooperation (JBIC), a public financial institution and export credit agency wholly-owned by the Japanese government, continues to provide substantial support for new fossil fuel projects that are incompatible with the 1.5 degree goals of the Paris Agreement. This briefing paper details JBIC's support for new fossil fuel projects, top institutional holders of JBIC bonds, financial institutions who have divested from JBIC bonds, and financial institutions who have substantially reduced their JBIC bonds holdings. Furthermore, it highlights the risk of holding bonds issued by JBIC, which has yet to disclose its GHG reduction targets for its 2030 investment and financing portfolio, and continues to support multiple fossil fuel projects. We call upon investors holding JBIC bonds to engage with and ask JBIC to end its fossil fuel financing activities and disclose credible, science-based reduction targets for its financed emissions. If sustained, intentional engagements with JBIC do not lead to meaningful changes, investors should divest from the JBIC bonds.

1. Support for new fossil fuel projects by JBIC

In the G7 Elmau Summit in 2022, the Japanese government has committed that "recognising the importance of national security and geostrategic interests we commit to end new direct public support for the international unabated fossil fuel energy sector by the end of 2022, except in limited circumstances clearly defined by each country consistent with a 1.5°C warming limit and the goals of the Paris Agreement.[1]" However, since 2023, JBIC has signed eight loan agreements for fossil fuel projects, with total financing amounting to approximately USD 3.5 billion (JPY 532 billion equivalent).

Table 1: fossil fuels projects for which JBIC has signed loan agreements after 2023

Date of publication of the press release on JBIC website	Project name	Country	USD loans (in USD million)
March 24, 2023	Syrdarya 2 Natural Gas-Fired Combined Cycle Power Plant Project	Uzbekistan	393
March 26, 2024	Scarborough Offshore Gas Project (JERA's portion)	Australia	831
March 28, 2024	San Luis Potosi Gas-Fired Combined Cycle Power Plant Project	Mexico	93
March 28, 2024	Salamanca Gas-Fired Combined Cycle Power Plant Project	Mexico	167

[1] https://www.mofa.go.jp/mofaj/files/100364051.pdf

March 29, 2024	Trafigura Pte Ltd (Support for LNG imports by Japanese companies)	Singapore	390
May 30, 2024	Scarborough Offshore Gas Project (Woodside's portion)	Australia	1,000
July 8, 2024	Block B Gas Field Development Project	Vietnam	415
April 11, 2025	JFE Steel (Blackwater Coal Mine)	Australia	237
Total loan agreement amount			3,526

The International Energy Agency (IEA) in its report in 2023 titled "Net Zero Roadmap: A Global Pathway to Keep the 1.5 °C Goal in Reach", reiterated its conclusion in its previous 2021 report that in order to achieve net-zero greenhouse gas emissions by 2050, there is no room for new fossil fuel extraction projects[2]. JBIC financing for several gas projects is not consistent with the 1.5-degree goals of the Paris Agreement.

JBIC is highly likely to continue financing new fossil fuel projects in the future. For example, the likelihood of support for projects such as the following is increasing.

➢ Cameron LNG Expansion Project (Louisiana, USA): Japan's government-affiliated financial institution, Nippon Export and Investment Insurance (NEXI), is considering support for this project, which is causing significant social and environmental impacts on the local community, including emissions of air pollutants[3].

➢ Papua LNG Project (Gulf Province, south-eastern Papua New Guinea): The securing of the "free, prior and informed consent (FPIC)" of affected indigenous peoples, as required by the United Nations Declaration on the Rights of Indigenous Peoples, has not been confirmed[4]. Furthermore, concerns exist regarding impacts on biodiversity, including planned deforestation affecting primary forests, and the presence of 48 new-to-formal species and 15 undescribed species within affected areas. The project's overall impact on the ecosystem and associated risks have not yet been sufficiently verified. As of now, fifteen banks have committed not to provide loans for the Papua LNG project.

➢ Alaska LNG Project (Alaska, USA): The planned gas extraction site is located near the Arctic National Wildlife Refuge (ANWR), an area of remarkably pristine wilderness that is also the traditional homeland of the Gwich'in indigenous people. This raises serious concerns about the risk of significant human rights violations and environmental destruction[5]. 18 major global insurance companies, including Allianz, AXA and Japanese three largest non-life insurers, along with ten banks, have excluded Arctic fossil fuel projects, including Alaska LNG project, from their support[6].

[2] https://www.iea.org/reports/net-zero-roadmap-a-global-pathway-to-keep-the-15-c-goal-in-reach
[3] https://sekitan.jp/jbic/wp-content/uploads/2023/06/20230627_Cameron_-comments.pdf
[4] https://www.fairfinanceinternational.org/ff-international/case-studies/2024/case-study-from-ff-japan-shows-papua-lng-project-in-violation-of-esg-standards/
[5] https://jacses.org/en/560/
[6] https://jacses.org/en/603/

1. JBIC has not disclosed the GHG emissions of its investment and financing portfolio or its 2030 targets.

JBIC has set a target of net-zero GHG emissions for its investment and financing portfolio by 2050, however, it has not established a GHG reduction target for its investment portfolio for 2030. The export credit agencies of the United Kingdom, France, Canada, Spain, Sweden, Finland, Denmark, Kazakhstan and the UAE have joined the Net Zero Export Credit Agencies Alliance (NZECA) and committed to publishing their targets for 2030, or sooner, in line with the target-setting protocol[7]. However, JBIC has not joined NZECA. For example, CESCE, the Spanish export credit agency and a member organization of NZECA, has announced to reduce its exposure to the hydrocarbon industry by 75% by 2035 (from 2020 level)[8]. UK Export Finance (UKEF), also a member of NZECA, has announced to reduce its absolute financed emissions from Scope 1, 2 and 3 in oil and gas (amount at risk basis, tCO_2e) by 75% by 2030, from 2021 level. It will also reduce the financed emissions intensity of power including renewables (amount at risk basis (tCO_2e/£) by 58% by 2030, from 2021 level[9].

Japanese major private banks, MUFG, Mizuho and SMBC, have already announced reduction targets for their lending portfolio for 2030, although private banks' 2030 targets are not on a 1.5-degree aligned pathway. JBIC, which has not set GHG reduction targets for its 2030 investment and financing portfolio, is lagging significantly behind.

2. Ranking of JBIC bond holdings

JBIC raises funds by borrowing from the Japanese government and regularly issuing bonds guaranteed by the Japanese Government in the international capital markets. JACSES has compiled a ranking of institutions holding JBIC bonds and their respective holdings investigated in August 2025, utilizing financial databases and data published by individual financial institutions. The ranking predominantly features major asset managers and pension funds in the US and Europe across the board.

Table 2: Ranking of JBIC bond holders investigated in August 2025 (57 institutions)

	Bond holders	Country	Amount held (million USD)
1	Vanguard	United States	772.7
2	JPMorgan Chase	United States	275.2
3	BlackRock	United States	194.3

7 https://www.unepfi.org/wordpress/wp-content/uploads/2023/11/NZECA-Membership-Commitment-Text.pdf

8 https://www.cesce.es/es/corporativo/agencia-de-credito-a-la-exportacion-eca/politica-de-cambio-climatico

9 https://assets.publishing.service.gov.uk/media/68777b910263c35f52e4dc3e/UKEF_Annual_Report___Accounts_2024-25.pdf

4	Capital Group	United States	114.3
5	Crédit Agricole	France	106.9
6	Fidelity Investments	United States	90.9
7	New York State Teachers' Retirement System (NYSTRS)	United States	66.0
8	TIAA	United States	55.7
9	California State Teachers' Retirement System (CalSTRS)	United States	42.0
10	Zürcher Kantonalbank	Switzerland	41.3
11	State Street	United States	32.6
12	UBS	Switzerland	26.7
13	Brown Advisory	United States	23.2
14	Groupe BPCE	France	22.9
15	Florida State Board of Administration (FSBA)	United States	22.1
16	Deutsche Bank	Germany	15.3
17	HSBC	United Kingdom	15.0
18	Government Pension Investment Fund (GPIF)	Japan	13.4
19	Ameriprise Financial	United States	12.5
20	Charles Schwab	United States	10.9
21	Colorado Public Employees' Retirement Association (Colorado PERA)	United States	10.4
22	Deka Group	Germany	8.9
23	Payden & Rygel	United States	8.3
24	Christian Brothers Investment Services	United States	7.6
25	Government Pension Fund Global (GPFG)	Norway	7.5
26	Principal Financial Group	United States	6.6
27	Northern Trust	United States	6.6
28	Abrdn	United Kingdom	6.6
29	Schroders	United Kingdom	6.5
30	Legal & General	United Kingdom	5.1
31	T. Rowe Price	United States	4.7

32	Bank of New York Mellon	United States	4.3
33	Voya Financial	United States	3.6
34	MetLife	United States	3.2
35	Desjardins Group	Canada	2.4
36	GAM Holding	Switzerlamd	2.0
37	Sun Life Everbright Asset Management	China	2.0
38	US Bancorp	United States	2.0
39	Calamos Investments	United States	2.0
40	Invesco	United States	1.8
41	Massachusetts Pension Reserves Investments Management	United States	1.3
42	Pennsylvania State Employees' Retirement System	United States	1.2
43	Allianz	Germany	1.2
44	Crédit Mutuel	France	1.2
45	Emcore	Liechtenstein	1.0
46	Landesbank Hessen-Thüringen	Germany	1.0
47	Minnesota State Board of Investment (MSBI)	United States	1.0
48	Fonds de Compensation de la Sécurité Sociale, SICAV-FIS (FDC)	Luxembourg	0.8
49	Prudential Financial (US)	United States	0.8
50	Banco Mediolanum	Italy	0.6
51	Pensioenfonds Detailhandel	Netherlands	0.6
52	NBG Group	Greece	0.6
53	Van Eck Associates Corporation	United States	0.6
54	Symmetry Partners	United States	0.5
55	SEI	United States	0.4
56	Lazard	Bermuda	0.4
57	Neuberger Berman	United States	0.2
Total			2,071.9

3. Financial institutions for which divestment of JBIC bonds or a significant reduction in holdings has been confirmed

In September 2024, five environmental NGOs, including JACSES, sent a request letter to 50 financial institutions holding JBIC bonds investigated in August 2024, urging them to engage on halting new financing for fossil fuel projects[10]. Upon comparing data on bond-holding institutions investigated in August 2024 and August 2025, it was confirmed that at least two institutions had reduced their holdings of JBIC bonds to zero, indicating divestment. Furthermore, it became apparent that at least five institutions had reduced their holdings by 25% or more (see Table 3). For example, the California Public Employees' Retirement System (CalPERS), the largest public pension fund in the United States, held approximately US$108 million worth of JBIC bonds investigated in August 2024, ranking third in terms of holdings at that time. However, it was confirmed that they had divested these holdings by August 2025.

Table 3: Financial institutions for which divestment of JBIC bonds or a significant reduction in holdings has been confirmed

	Financial institutions	Rate of decrease
Financial institutions for which divestment of JBIC bonds has been confirmed (two institutions)	California Public Employees' Retirement System (CalPERS)	N/A
	State of Wisconsin Investment Board	N/A
Financial institutions for which a reduction of 25% or more in their holdings of JBIC bonds has been confirmed (5 institutions)	Minnesota State Board of Investment (MSBI)	-57.9%
	Fonds de Compensation de la Sécurité Sociale, SICAV-FIS（FDC）	-50.2%
	Massachusetts Pension Reserves Investments Management	-42.7%
	Colorado Public Employees' Retirement Association (Colorado PERA)	-39.0%
	Florida State Board of Administration (FSBA)	-28.8%

[10] https://jacses.org/en/450/

4. Recommendations to institutions holding JBIC bonds

Institutions holding JBIC bonds should engage with JBIC to urge it to: 1) end new financing for fossil fuel projects; 2) disclose financed GHG emissions from its investment portfolio; and 3) publish a 2030 target for financed emissions consistent with the 1.5°C pathway, and if these are not achieved after a certain period of time, they should divest from the JBIC bonds.

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