



sent via email

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21 June 2018

Copied to:

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AIIB support for a Big Shift from fossils to sustainable renewable energy

Dear President Jin,

We are writing to urge the AIIB to take concrete steps to address the climate crisis, by shifting investments from harmful fossil fuels towards sustainable renewable energy and to support energy access for poor communities.

At the AIIB's third AGM in Mumbai, India, the AIIB has an opportunity to lead the way in sending a strong signal to financial markets and other development finance actors that the era of fossil fuels is over.

As the world's newest multilateral development bank, the AIIB is in a strong position to forge a new path post-Paris and live up to its commitments that its Energy Sector Strategy (ESS): "embraces, and is informed by, the principles underpinning SEforALL, the 2030 Agenda for Sustainable Development, and the Paris Agreement."

At last year's AGM in Jeju, civil society welcomed your comments that "there are no coal projects in our pipeline, and we will not consider any proposals if we are concerned about their environmental and reputational impact". However, many expressed concern that the AIIB's newly-agreed ESS failed to rule out AIIB support for coal and laid heavy emphasis on harmful gas and large hydro dams.

To date, the AIIB has funded several fossil fuel projects, including the Trans-Anatolian gas pipeline, the Bhola IPP gas power plant in Bangladesh and the Myingyan gas power project in Myanmar. Worryingly, the AIIB has also taken its first step into coal. Through its investment in the IFC Emerging Asia Fund, the AIIB is indirectly financing increased use of coal, including the expansion of a coal mine, by the STC group in Myanmar. This latter investment raises significant concern, showing how investing through third parties, like infrastructure funds, can result in the AIIB funding coal and other harmful fossil fuels by the back door.

We call on you to ensure the AIIB lives up to its “green” promise by:

1. Ruling out coal

The AIIB should ensure none of its investments results in an increase in coal use: whether for power generation or industrial uses, and associated facilities such as transmission lines and railways or ports primarily meant for the transportation of coal. This includes closing loopholes in financial intermediary lending to ensure AIIB does not inadvertently fund coal indirectly.

2. Shifting from fossil fuels to sustainable renewable energy

The AIIB can send a strong signal to other development finance institutions and the financial sector by matching the World Bank’s recent commitment to end financing for upstream oil and gas, establishing a plan to phase out remaining investment in harmful fossil fuels by 2020, and shifting its investments to sustainable renewable energy. This should exclude support for large hydro dams which cause extensive social and environmental harms.

3. Investing in energy access

Evidence shows that the biggest challenge for reaching SE4ALL/SDG 7 by 2030 is not necessarily generating much greater amounts of energy; it is getting it to those who need it most. The AIIB has committed to support clients to achieve SDG 7 on universal access to modern energy and recognised both the persistence of cooking poverty in the region and the financing gap to reach SDG 7. In line with this, the AIIB should scale up support for decentralised renewable electricity, clean cooking solutions and innovative business models needed to provide access and control for ‘last mile’ communities. This includes considering concessional or grant-based facilities.

Thank you for your attention to this matter.

Yours sincerely



Rayyan Hassan, NGO Forum on ADB

Other signatories:

Abibiman Foundation, Ghana

Alyansa Tigil Mina (Alliance to Stop Mining-Philippines)

Asian Peoples Movement on Debt and Development
Asociacion Ambiente y Sociedad, Colombia
Bangladesh Poribesh Andolon (BAPA)
Bank Information Center Europe
Bank Information Center
BankTrack
Beyond Copenhagen Collective
Bharat Jan Vigyan Jatha
Big Shift Global
Both Ends
Bretton Woods Project, UK
Brot für die Welt (Bread for the World, Germany)
Buliisa Initiative for Rural Development Organisation (BIRUDO) Uganda
CAFOD
CEE Bankwatch Network
Center for International Environmental Law (CIEL)
Centar Za Zivotnu Sredinu (Center for Environment), Bosnia & Herzegovina
Centre for Financial Accountability, India
Centre for Human Rights and Development (CHRD), Mongolia
CHANGE, Vietnam
Christian Aid
CLEAN (Coastal Livelihood and Environmental Action Network), Bangladesh
Community Empowerment and Social Justice Foundation (CEmSoJ), Nepal
Conectas Human Rights
Delhi Forum
Delhi Solidarity Group
E3G
Environics Trust
Focus Association for Sustainable Development, Slovenia
Friends of the Earth US
Gender Action
Global Responsibility, Austria
Human Rights Council, Ethiopia
Inclusive Development International
International Accountability Project
International Rivers
Jamaa Resource Initiatives, Kenya
Jubilee Scotland
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Philippine Movement for Climate Justice (PMCJ)
Oil Change International
OT Watch and Rivers without Boundaries-Mongolia
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