

COAL FOR CLIMATE?

**How Multilateral Development Banks
risk financing captive coal expansion**



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Cover photo: Cover photo: Labourers in the nickel industry in Indonesia Morowali Industrial Park (PT. IMIP), by Esa Setiawan/ Trend Asia.

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Executive summary

Despite numerous commitments to end the flows of finance from the publicly funded Multilateral Development Banks (MDBs) to coal power projects in recent years, some MDB funds are still supporting coal. One policy gap allowing this to happen, which will become increasingly relevant as MDBs look to scale up their role in climate finance, is for captive coal units that power industrial facilities, some of which play a role in renewable energy and electric vehicle supply chains. With many captive coal units powering the processing of nickel, cobalt, steel, aluminium and other metals/minerals set to see rapid demand increases in the coming decades (because of their role in low carbon technologies), it is vital that the captive coal loophole is closed and that MDBs instead support efforts to decarbonise industry (while supporting only climate projects that protect human rights and do no harm to communities or the environment).

This paper analyses the investment policies and financing frameworks of three key institutions: the World Bank Group (WBG), Asian Development Bank (ADB) and Asian Infrastructure Investment Bank (AIIB), as well as documents published through joint MDB initiatives. This analysis identifies several key areas where MDBs must urgently close loopholes to preclude the possibility of public funds supporting a rapid expansion in captive coal. The paper finds that:



Joint MDB commitments to stop financing coal power do not cover captive units for industrial use, while further guidelines on climate spending may actively encourage support for coal-powered industrial facilities.



The International Finance Corporation (IFC) is exposed to captive coal units on Obi Island in Indonesia, explored in the case study below, via one financial intermediary investment, while other financial sector clients are also financing captive coal.



Despite an IFC commitment in 2023 to stop funding new coal, this policy explicitly states that it does not include captive coal, meaning that IFC clients are free to support captive coal as they please.



The World Bank Group's Energy Sector Directions paper likewise states that it does not apply to captive coal units for industries such as steel and cement production.



While the Asian Development Bank and Asian Infrastructure Investment Bank coal policies don't include carve outs for captive coal, greater clarity and transparency is needed to ensure that their various overlapping financing frameworks do not allow support for captive coal and to increase transparency around the subprojects supported by MDB funds.

These policy gaps are no small matter as the role of MDBs in international climate finance, and the demand for metal processing facilities, looks set to increase greatly in coming years. It would be a great irony if, in the name of financing the production of materials needed for a renewable energy transition and the decarbonisation of transport systems, MDBs also financed the rapid expansion of climate-busting captive coal. Failing to close these loopholes may therefore not only undermine the many other commitments to end coal finance announced by governments and development finance institutions (DFIs) in the past decade, but also efforts to reduce global greenhouse gas emissions and limit global temperature rises to 1.5°C.

Introduction

Finance for coal is coming to an end. Recent years have seen dozens of governments¹ and over 200 private financial institutions, commit to stop funding new coal.² Multilateral development banks (MDBs), including the World Bank Group (WBG), Asian Development Bank (ADB) and Asian Infrastructure Investment Bank (AIIB), have joined this trend, both by making their own commitments to stop funding coal power projects, and by publishing joint plans (in June 2023) to stop funding coal mining or coal-fired electricity generation as part of broader efforts to align investments with the Paris Agreement on Climate Change (although only the AIIB has committed to fully align all investments from this date onwards).³

However, as civil society organisations (CSOs) have repeatedly highlighted, there is a wide degree of variance in the specific details included in these coal commitments, and the implementation of these policies has, to date, left a lot to be desired. For example, research by Recourse, Trend Asia and Inclusive Development International has shown that gaps in the wording and implementation of the International Finance Corporation's (IFC) coal phase out plan, its 'Green Equity Approach' introduced in 2019, initially allowed financial intermediary clients to continue funding new coal across Asia (this loophole has since

been closed in 2023).⁴ Furthermore, research by BankTrack and Recourse has demonstrated how both private and public financiers (respectively) still face challenges in how to phase out coal support via underwriting and general corporate loans, and how to deal with the issue of 'captive' coal.⁵

Captive coal units, usually constructed to support industrial processes such as metal smelting or cement production, are not a new phenomenon, but they are set to become a lot more common in the coming decade. According to Global Energy Monitor, India currently has over 24 gigawatts (GW) of captive coal in operation, mostly in support of the production of aluminium and steel.⁶ A further 1 GW of capacity is expected to be added when the JSW Utkal Steel power station and Malibrahmani power station (also to support steel production) come online in the coming years. Perhaps more worryingly, while the Indonesian government has committed (under its Just Energy Transition Partnership Plan) to reduce grid-connected coal capacity from a planned 40.6 GW in 2030 to 24.6 GW in 2045 (and to 0 GW by 2050), it is also set to more than double its captive coal capacity from 14.2 GW to 32.7 GW if the current expansion plans of public and private developers are followed through.⁷ This means that captive coal expansion would lead to an overall increase in Indonesia's coal capacity up until 2045,

“It would be a great irony if, in the name of financing the production of materials needed for a renewable energy transition and the decarbonisation of transport systems, MDBs also financed the rapid expansion of climate-busting captive coal.”

despite the planned early retirement of grid-connected coal plants.⁸

The majority of these planned captive coal units will support Indonesia's rapidly growing nickel processing industry. While nickel is a vital component in the production of electric vehicle (EV) batteries, with demand expected to skyrocket in the coming years, steel, aluminium and other metals (all often processed with captive coal) are also key resources for renewable energy projects including solar and wind power. It is because of these connections to renewable energy and EV supply chains that Indonesia's financial regulator, Otoritas Jasa Keuangan (OJK), has categorised captive coal projects that contribute to a low-carbon transition as 'green' projects in its new sustainable investment taxonomy (the *ASEAN Taxonomy for Sustainable Finance* uses a similar categorisation).⁹ This move sends a signal to local commercial banks, many of whom already have weak policies on coal, that OJK not only supports the financing of captive coal projects (and projects that are reliant on captive coal) but that captive coal can also be considered an eligible use of proceeds for funds earmarked for climate spending (e.g. from climate finance or green bond projects).¹⁰ This is highly concerning, not least because captive coal has significant detrimental impacts on communities, biodiversity and the climate. But the labelling of such projects as 'green' also has the potential to divert funding away from genuinely sustainable renewable energy projects that do no harm to people or planet, and may hold back the adoption of low-carbon industrial processes. And this is where the MDBs, which are looking to scale up their climate

finance by directly and indirectly funding projects that contribute to decarbonisation, come in. Domestic and regional commercial banks in Southeast Asia, who are already funding captive coal, have increasingly received investments from MDBs in recent years. But, as discussed below, some MDB energy policies and Paris alignment approaches are either weak or unclear on whether the funding of projects connected to captive coal units is allowed. With captive coal receiving the green light for commercial investment, the question must be asked: are MDB policies on coal robust enough to ensure that public finance, especially climate finance, does not fund a highly destructive expansion of captive coal? If not, then rather than funding the decarbonisation of industry, the MDBs may actually contribute to the lock-in of carbon intensive industrial processes that undermine climate targets and hold back the adoption of cleaner, greener industrial technologies.

The following paper analyses the various, overlapping energy and investment policies of the three major institutions, the World Bank Group, Asian Development Bank and Asian Infrastructure Investment Bank, and of joint MDB initiatives to tackle climate change. As major investors and standard setters for the international financial sector, and institutions that are set to increase their role in climate finance spending in years to come, it is crucial that these public finance institutions have strong, robust policies that exclude support for captive coal (as well as grid-connected coal for electricity generation). Without strong policies at these MDBs, there remains a huge risk that public finance will support a new wave of investment in supposedly 'green' captive coal.

Case study: Obi Island and the dangers of captive coal

In January 2024, the US Geological Survey confirmed that Indonesia has the world's largest nickel reserves with 55 million tons (Australia, in second place, has only 24 million tons).¹¹ Since the Indonesian government began to progressively ban the export of raw nickel ore in 2014, in order to retain more value from the growing international demand for nickel (particularly from electric vehicle [EV] manufacturers), the number of nickel mining and processing projects has grown rapidly. As a result, the environmental and social impacts of the nickel industry are increasingly being felt by fishing communities, Indigenous Peoples and ecosystems across the country.¹²

Nickel is deemed a critical resource in efforts to decarbonise transport systems, as it is used in the production of lithium-ion batteries, a vital component of EVs. Four of the five

companies which own projects listed in Figure 1 (PT Halmahera Persada Lygend, PT Obi Nickel Cobalt, PT Halmahera Jaya Feronickel and PT Megah Surya Pertiwi) are either subsidiaries of, or joint ventures involving, Trimegah Bangun Persada, also known as TBP, or Harita Nickel.¹³ As the Indonesian civil society organisation Trend Asia has highlighted in detail, Harita Nickel was nominated in 2020 as initiator and executor of the Obi Island Industrial Park, which has been given National Strategic Project status by the Indonesian government. As a result, Harita Nickel has a hand in nearly every captive coal unit and nickel processing facility on the island.¹⁴ In March 2023, Harita Nickel raised \$660 million in a well-publicised initial public offering (IPO) which attracted investment from mining corporation Glencore and multiple sovereign wealth funds in Asia.¹⁵

Figure 1: Known captive coal units on Obi Island. Data from Global Energy Monitor

Power plant	Owner	Industrial use	Capacity
PT Halmahera Persada Lygend power station Phase 1 & 2	PT Halmahera Persada Lygend	PT Halmahera Persada Lygend HPAL nickel refinery	2 x 30MW 2 x 150MW (operating) 360MW (planned)
PT Halmahera Persada Lygend power station Phase 3	PT Obi Nickel Cobalt	PT Obi Nickel Cobalt refinery	4 x 380MW (planned)
HJF Power Plant	PT Halmahera Jaya Feronickel	HJF RKEF ferronickel smelter	6 x 150MW ¹⁶
MSP Pulau Obi power station	PT Megah Surya Pertiwi (MSP)	MSP ferronickel smelter	3 x 38MW
Jinchuan Group WP&RKA power station	WP&RKA	Jinchuan nickel smelter	3 x 150MW
Total operating captive coal capacity	2,444MW	Total planned captive coal capacity	4,324MW

Box 1: What is financial intermediary lending?

As well as making direct investments in projects, DFIs such as the IFC, ADB and AIIB also indirectly finance projects by making investments in financial intermediaries (FIs). Most often, the financial intermediaries that DFIs finance are infrastructure funds or commercial banks, but they also finance insurers and non-banking finance institutions. The FI will use the funds either to invest in a 'subproject', such as a hospital, transit system or power plant, or to achieve some other goal (such as financing small businesses). However, civil society organisations¹⁷ and researchers have highlighted the significant challenges and risks posed by this type of investing, including reduced environmental and social protections, a lack of transparency, and limited accountability for affected communities. FI investments represent just over half of the IFC's total portfolio.

According to research by the German foundation Rosa Luxemburg Stiftung, nickel from PT Halmahera Persada Lygend is used in batteries produced for a range of global EV manufacturers, including Tesla, Volkswagen, Toyota, BMW and Honda.¹⁸ However, as Trend Asia has highlighted, the rapidly growing global demand for nickel has had dire impacts on the areas of Indonesia that are home to nickel processing facilities.

IFC connections to Obi Island captive coal

The IFC is exposed to captive coal on Obi Island through its financial intermediary client Hana Bank Indonesia. The IFC originally invested \$5m in 2007 to support Hana Bank Korea to set up an Indonesian subsidiary.¹⁹ In 2019, the IFC then invested a further \$15.36m to expand its stake in Hana Bank Indonesia, through a rights issue, and selected this investment as the first with which to test some elements of what would later become the IFC's Green Equity Approach (GEA) (the IFC says, however, that the terms of the GEA were not a legal requirement at the time of investment).²⁰ In April 2022, Hana Bank Indonesia was a mandated arranger in a \$530m project loan to PT Halmahera Jaya Feronikel (HJF), one of the aforementioned subsidiaries of Harita Nickel. This loan was used to pay off

the company's debts and to build the first phase of HJF's nickel smelter.²¹ This smelter, which uses rotary kiln-electric furnace (RKEF) technology, will be powered by six captive coal units of 150MW each.²² Notably, while HPAL processing techniques utilise coal to produce high temperatures, the RKEF method uses coal to generate electricity to power the kiln. In this scenario, the rationale for using captive coal instead of cleaner, renewable energy sources is even weaker than in other cases.

In response to this, an IFC spokesperson said that, while Hana Bank Indonesia did finance the smelter, this does not automatically mean that they also financed the captive coal-fired plant. There is an element of truth to this. As captive coal units are not standalone subprojects, like a grid-connected coal-fired power plant, their financing arrangements are particularly opaque and it is basically impossible, as Global Energy Monitor has highlighted in the case of the PT Halmahera Persada Lygend smelter, to ascertain what proportion of the financing deal supported captive coal unit itself.²³ However, it is also the case that, because the financing arrangements for the captive coal unit are not made distinct, the developer would be able to either use the funds earmarked for

the smelter to finance the coal unit, or (because the funds are ultimately fungible) to accept the funds to finance the smelter while funding the coal unit from its own account. Ultimately, the result is the same; the indirect lending from the DFI enables the subproject developer to construct the smelter *and* the captive coal unit. This is why DFI policies seeking to end support for coal should explicitly exclude financing for captive coal power units *and* for subprojects that are reliant on captive coal.

Perhaps more worryingly, the IFC is also potentially exposed to captive coal via another investment intended to support climate projects. OCBC NISP is an Indonesian subsidiary of Oversea-Chinese Banking Corporation (OCBC), a commercial bank based in Singapore. In 2020, the IFC made a \$200m debt investment in OCBC NISP's Sustainability Bond programme, comprising Green and Gender bonds, for the purpose of on-lending to climate projects and Women-Owned SMEs.²⁴ After that investment was made, in April 2021, OCBC NISP was one of nine commercial banks that invested a combined \$625m in the PT Halmahera Persada Lygend nickel refinery project on Obi Island.²⁵ According to Trend Asia, based on an examination of Harita Nickel's financial statements, OCBC NISP also participated in the April 2022 project loan to HJF mentioned above, and gave a \$150m general purpose loan to Harita Nickel in January 2023.²⁶

The IFC's website states that its investment in OCBC NISP was to be used for "on-lending to eligible green projects (including refinancing of existing portfolio projects)".²⁷ An IFC spokesperson added that the project excluded the financing of subprojects exposed to higher environmental and social risks, meaning that the financing

of smelters (which do have high E&S risks) was not eligible from the IFC's loan.

However, the IFC's *Guidance Note on Financial Intermediaries*, suggests that OCBC NISP should have still considered the IFC's E&S risk management approach, including the Performance Standards, when financing the smelter, even if this was not financed directly from the IFC's loan facility. The *Guidance Note* states clearly that financial intermediaries must apply "the agreed E&S standards and requirements" to *all* projects of the same type as those supported by the IFC's investment, that are financed from the time of the IFC's investment (OCBC NISP financed the smelter less than a year after IFC's investment).²⁸ For example:

If IFC provides a credit line for SMEs and the FI finances SMEs also outside this credit line, then the FI's entire SME operations originated after IFC's funding also apply the agreed E&S standards and requirements.²⁹

In this example we could instead say that, because the IFC provided a debt investment for climate projects, OCBC NISP's entire climate portfolio originated after IFC's funding should also have applied the agreed E&S standards and requirements.

It seems highly plausible that OCBC NISP would consider the Halmahera Persada Lygend HPAL refinery to be an eligible green project, given both the project's role in EV supply chains and that a 2020 Sustainability Bond Framework (published by OCBC NISP's parent company OCBC) states that projects related to the production of "wind turbines, solar panels, battery storage, and [other renewable

energy appliances and products]" or projects related to infrastructure and "capacity improvement" for EVs are eligible uses of proceeds for Green bonds.³⁰ Furthermore, DBS, the lead co-ordinator of the consortium which invested the \$625m in PT Halmahera Persada Lygend, referenced its own commitment to "finance SGD 50 billion in renewable, clean-energy and green projects by 2024" in its press release on the investment.³¹

Given this, it appears that the IFC's Environmental and Social risk standards and requirements, including the Performance Standards, should have applied to the investment in OCBC NISP and any on-lending to PT Halmahera Persada Lygend. That would be irrespective of whether the proceeds of the IFC's investment in OCBC NISP were specifically used to fund the HPAL smelter. However, without reviewing the loan agreement between the IFC and OCBC NISP (which the IFC does not publicly disclose) it is impossible to verify precisely which projects these standards should have applied to.

These requirements did include a coal exclusion, with the IFC stating that "coal related projects ... will be excluded" from its investment in OCBC NISP. However, in other guidance documents the IFC has said explicitly that its definition of 'coal-related projects' does not apply to captive coal power.³² Furthermore, in response to our research, the IFC confirmed that its exclusion of coal-related subprojects does not apply to captive coal power plants. As such, it appears that the captive coal loophole in the IFC's definition of 'coal-related projects' is a significant loophole that could allow the IFC's financial intermediary clients to finance captive coal units.

In response, the IFC said that the funding of higher-risk projects, such as a smelter, is not eligible from the IFC's loan to OCBC NISP, and that the IFC has not seen any higher-risk transactions supported by its loan when OCBC NISP has reported back on its use of proceeds. However, this belies the fact that, as per the wording of the *Guidance Note* quote above, these restrictions should also apply to the climate projects that OCBC NISP has funded (since the IFC's investment) outside of the IFC's loan project. More importantly, the funds provided by the IFC to support OCBC NISP's climate portfolio are ultimately fungible. Even if the IFC's own funds are not specifically supporting this project, the investment is still freeing up funds for OCBC NISP to invest elsewhere in its climate portfolio, including in the PT Halmahera Persada Lygend smelter. Ultimately, this makes the IFC's investment in OCBC NISP a missed opportunity. While there may be some climate benefits from the subprojects supported by this investment, the IFC should also be using its leverage at the point of investment to encourage financial intermediaries to stop funding all forms of coal. If the IFC is unable to do this, it should commit to stop financing any financial intermediaries engaged in the expansion of coal (including captive coal).

The impacts of captive coal on Obi Island

The impacts of this financing are stark. In recent years, Obi Island, in the South Halmahera region of North Maluku province, has suffered losses of biodiversity, land disputes and forced evictions.³³ A 2023 investigation by the Washington Post reported that the PT Halmahera Persada Lygend nickel refinery on Obi Island, which uses the controversial, slurry-producing High-Pressure Acid Leaching (HPAL) method to extract higher grade nickel, produces “4 million metric tons of toxic waste ... every year — enough, approximately, to fill 1,667 Olympic-size swimming pools”.³⁴ The Environmental Justice Atlas reports a series of additional impacts from the facility that include (but are not limited to) a local increase in infectious diseases, elevated levels of lung infections in newborns and toddlers, biodiversity loss, air pollution, decrease in fisheries, dangerous levels of chromium in drinking water, deforestation, and the loss of traditional livelihoods, knowledge, practices and cultures.³⁵ A 2024 report by Climate Rights International (CRI) likewise found that nickel development has been connected to “increased rates of cancer, respiratory illnesses, and allergic contact dermatitis” among local populations as well as “increased risk of asthma, nasal congestion, and skin tumours due to ambient air pollution and toxic dust fall”.³⁶

This is before even considering the impacts, including increased air pollution and the substantial greenhouse gas emissions, associated

with captive coal. According to Global Energy Monitor, at least 2,240 megawatts (MW) of captive coal capacity are planned to power the PT Halmahera Persada Lygend HPAL and PT Obi Nickel Cobalt projects alone, but company reports have signalled that up to 4,200MW could be constructed in future.³⁷ If fully constructed, this power station would represent a little under one tenth of Indonesia's entire coal capacity. The same CRI report highlights the potential human health risks from coal ash and dust such as “asthma, heart attacks, decreased lung function, and premature death”.³⁸

Although Indonesia is required to cap its coal power emissions by 2030 under the terms of its Just Energy Transition Partnership (JETP) deal, the emissions from captive coal units will not be included. Research by Trend Asia found that the greenhouse gas emissions generated by the Obi Island nickel industrial park reached nearly 3.5 million metric tonnes in 2022, equivalent to six times the emissions of Timor Leste.³⁹ Captive coal currently represents around half of Indonesia's total coal capacity, but nearly 70% of future coal expansion plans.⁴⁰ Industrial parks such as that on Obi Island already account for over 15% of Indonesia's coal use, which increased by 33% in just one year between 2021 and 2022.⁴¹ Furthermore, with the entire Obi Island Industrial Park having been granted National Strategic Project status by the Indonesian government, there is a high risk that the IFC's Performance Standards relating to transparency and consultation have not been implemented.⁴²

Power stations such as those on Obi Island therefore pose huge social, environmental and climate risks, threatening to cause severe harms to communities and to undermine the efforts being taken elsewhere to reduce the air pollution and greenhouse gas emissions produced by Indonesia's coal fleet.

This is just one example of why urgent attention is needed on how captive

coal is dealt with in DFI policies on coal, energy and industry, not just at the IFC but across the MDBs. Below, we have conducted a more thorough analysis of the policies at the WBG, ADB and AIIB that could apply to captive coal financing. The purpose of this is to identify any remaining gaps and provide recommendations to these publicly-funded institutions on how they can close the captive coal loophole for good.

Box 2: Impact of Obi Island projects on women

Recourse has written extensively on how fossil fuel development disproportionately harms women.⁴³ Journalists in Indonesia have also highlighted how women in Kawasi on Obi Island "bear a double burden" from local development and how "their domestic jobs are growing" as they have to constantly clean and fight off invasive coal dust from the captive coal unit.⁴⁴ Similarly, Trend Asia has reported that one impact of coal development on Obi Island has been an increase in structural poverty which has exacerbated impacts on women.⁴⁵

The WBG as a whole is committed, under its Gender Strategy, to support gender equality, inclusive growth and the empowerment of all women and girls.⁴⁶ Furthermore, the IFC's own website recognises that "women and other disadvantaged groups are likely to be more negatively impacted by the effects of climate change".⁴⁷ It is therefore completely contradictory for the IFC to continue to support any fossil fuel development, on Obi Island and beyond, as these impacts will be felt particularly harshly by women and other marginalised groups and will undermine WBG commitments to foster inclusive growth and support gender equality.



Families living in the shadow of a captive coal plant for the nickel industry in Indonesia Morowali Industrial Park (PT. IMIP). Photo by Esa Setiawan/ Trend Asia.

MDB policies on coal and captive coal

Joint MDB approaches to Paris alignment and climate finance

In June 2023, the majority of MDBs finally published a joint framework to align their financial flows with the goals of the Paris Agreement on Climate Change, over seven years since the agreement was made.⁴⁸ These plans included an important commitment that MDBs would no longer finance the “mining of thermal coal” or “electricity generation from coal”.⁴⁹

While this commitment is welcome, one glaring gap in this methodology (among other weaknesses highlighted by Recourse's *Slipping Through the Net* report) is that it does not cover coal for industrial use.⁵⁰ Elsewhere in the same document, MDBs state that projects related to the “manufacture of components for renewable energy” are considered ‘universally aligned’ – therefore always eligible for MDB financing.⁵¹ Taken together, these statements potentially leave the door open for MDBs to finance either captive coal projects or projects, such as nickel and aluminium smelters, that contribute to renewable energy supply chains but which are functionally reliant on captive coal.

Another cause for concern comes from the ‘Common Principles for Climate Mitigation Finance Tracking’ published by the Joint Climate Finance Tracking Group of MDBs. As stated in Table 3, projects that support the mining or production of “metals or alloys prevalently used in or critical for renewable energy” and “other low carbon technologies” (which would

include nickel) are deemed eligible activities for climate mitigation finance.⁵² In guidance notes, the document further states that this includes the “smelting and refining of minerals”, but only requires projects to “adhere to a long-term strategy” for reducing emissions rather than excluding projects powered by coal (or specifying that the cleanest, lowest carbon technology should be used).⁵³ Elsewhere, the principles do include a blanket exclusion for activities involving “electricity generation from coal or peat”, but this does not specify whether it includes industrial applications and would generally be taken to mean electricity generation for the grid rather than industrial uses.⁵⁴ At the very least, whereas some MDB guidelines (as discussed below) explicitly state that projects reliant on captive coal will not be financed, nowhere in these Joint MDB Principles is a similar commitment made. As such, this is a potentially huge loophole that could allow all MDBs to use climate finance, intended to reduce greenhouse gas emissions and lead to a just energy transition, to fund smelters or similar projects that are reliant on captive coal units for power.

While developers and MDBs may claim a degree of separation here, it is vital to realise that, as in the case of Obi Island, the development of transition mineral industries is the core rationale behind the expansion of captive coal. It is therefore impossible to claim that, by funding processing plants and refineries, MDBs would not at the same time be

giving added justification for an increase in new captive coal power plants. Furthermore, failing to exclude financial support for coal-powered industrial facilities means that captive coal will continue to expand apace, holding back efforts to decarbonise industrial processes in the long term.

World Bank Group

World Bank Group Energy Sector Directions Paper

In 2013, the WBG published a paper, outlining “directions for the World Bank Group’s energy sector”, which signalled for the first time that the institution would be moving away from financing coal by “providing financial support for greenfield coal power generation projects only in rare circumstances”.⁵⁵ Any projects that were to be funded in these rare circumstances were also screened against the 2010 criteria for screening coal projects, which required coal projects to have a demonstrable development impact, use the best available technology, analyse alternatives to coal and identify and fund low-carbon alternatives in the long term.⁵⁶

While neither of these approaches conclusively ruled out financing for coal, the WB withdrew from its final, directly-funded coal power project in Kosovo in 2018.⁵⁷ However, it is also important to note that the Bank’s energy directions paper does not cover instances of when “coal is used for heat, captive power, and chemical needs”, and as such “the WBG will continue to finance investments in various industrial and commercial processes—such as steel, cement, and other manufacturing operations”.⁵⁸

One example of this is the International Finance Corporation’s (IFC) 2018 direct

investment in the Shwe Taung Cement Company, which helped to expand a cement plant that burns coal as part of its industrial process, in Myanmar.⁵⁹ Other financiers include the AIB through an FI (as discussed below). The investments also supported increased extraction from an associated coal mine due to the increased coal demand from the cement plant. Communities living near the Shwe Taung Cement plant have raised concerns about air pollution, reduction in the quantity and quality of drinking water, impacts on crops, health impacts and land disputes - all of which will intensify with increased production.⁶⁰ The project also has significant impacts on the climate; the existing plant released an estimated 550,000 tonnes of CO₂e per year, which the IFC anticipated to more than double as a result of the expansion.⁶¹ This excludes any emissions associated with the coal mine. This highlights exactly why the WBG must urgently close this loophole and end all financing of coal for industrial use.

Instead of financing carbon intensive industrial processes that do intense damage to communities and the climate, the WBG should be supporting the decarbonisation of industry and supporting countries to develop their own refining and processing industries and facilities in a way that protects and enhances the rights of workers, communities and the environment. In April 2024, an international coalition of 40 civil society organisations wrote to World Bank President Ajay Banga calling on him to support mineral-rich countries to integrate their mineral sectors into national, just transition plans that are fair and inclusive to everyone concerned, creating decent work opportunities and leaving no one behind.⁶²

The International Finance Corporation's Greening Equity Approach

For its indirect investments via financial intermediaries, the IFC introduced its Green Equity Approach (GEA) in 2020.⁶³ Through this approach, the IFC encourages its new equity clients to gradually phase coal-related projects out of their portfolios, to scale up renewable energy investments, and (as of a 2023 update to the GEA) commit to stop funding new coal power projects.⁶⁴ Since the 2023 update, the GEA effectively ensures that the IFC's new financial intermediary clients will not fund new coal-fired power plants intended for power generation (although, as CSOs have highlighted previously, existing equity clients, while hypothetically covered by the GEA, are still funding new coal).⁶⁵

However, again there is a carve out in this policy for captive coal facilities. The 2020 version of the GEA states that its definition of coal-related projects "excludes captive coal-fired power plants used for industrial applications such as mining, smelters, cement or chemical industries, etc".⁶⁶ As such, the GEA is aligned with the 2013 energy directions paper, in that it does not appear to prevent the WBG from financing captive coal facilities, or projects reliant on captive coal, at all.

This would appear to leave IFC equity clients such as Federal Bank in India, where captive coal for steel production continues to grow, free to finance captive coal despite its commitments under the GEA.

When it comes to the IFC's debt investments, which represent the majority of its lending to financial intermediaries, the picture is less clear. Most of the IFC's loans to financial intermediaries are ringfenced for

specific purposes such as on-lending to SMEs or climate projects.⁶⁷ In many cases the IFC's website states that these will not support coal-related subprojects; however, unlike with the GEA, the IFC does not clarify whether this exclusion extends to captive coal or not.

As captive coal expands rapidly in Southeast Asia, while the IFC continues to make 'green' investments in financial intermediaries in the region, there is an urgent need for the IFC to close this loophole and commit to not financing captive coal expansion, or any project that is functionally reliant on captive coal power. Without this clarification, it is possible that IFC's investments in financial intermediaries such as Bank BTPN and Shinhan Bank in Indonesia, and BDO Unibank and Bank of Philippine Islands in the Philippines, all of which are intended to support climate projects, could be used to fund projects reliant on captive coal in support of emerging transition minerals industries.⁶⁸

Recommendations for the World Bank Group

- The WB should amend its Energy Sector Directions paper to ensure that:
 - the Bank does not provide any financial support or technical assistance to greenfield coal power generation projects in any circumstances;
 - this exclusion must also explicitly apply to captive coal units for industrial uses;
 - the Bank stops funding gas and all other fossil fuel projects altogether

- The IFC must immediately close the loophole in its Green Equity Approach for captive coal. The IFC's definition of 'coal-related projects' should include captive coal-fired power plants for industrial use as well as projects that are functionally reliant on captive coal-fired power plants.
- The IFC should introduce explicit terms into its debt investments to prevent funds being used to support captive coal-fired power plants or projects that are functionally reliant on captive coal.
- The IFC should use its leverage at the point of investment to encourage financial intermediary clients to stop supporting coal and captive coal expansion. In cases where the client does not agree, the IFC should commit to stop doing any business with financial intermediaries engaged in coal expansion.
- In the upcoming review of its Performance Standards, The IFC should develop a standalone Performance Standard on Climate Risk that categorically rules out financing for captive coal projects or projects that would not exist without captive coal. For example, AIIB's Energy Sector Strategy commits to *"not finance thermal coal mining, coal-fired power and heating plants or projects that are functionally related to coal"* which includes ***projects that would not be carried out without dedicated coal-based power supply*** (emphasis added).⁶⁹
- Furthermore, the IFC should develop a distinct Standard on Financial Intermediary lending, given it comprises a majority of IFC's portfolio. This should integrate the requirements currently set out in the IFC's 'Guidance Note on Financial Intermediaries' and Green Equity Approach, and make them mandatory for financial intermediary clients.
- The IFC should publicly disclose the name, sector and location of all subprojects financed via financial intermediary lending, as well as the loan contracts agreed with borrowers, to enable greater transparency and public verification over the impacts of its financing.
- The World Bank and/or IFC should contribute to remediating any harms caused by existing or future financial support for coal power projects, captive coal projects, or projects reliant on captive coal.

Asian Development Bank

Energy Policy

The ADB's most recent energy policy, approved in October 2021, clearly states that it will not support "any new coal-fired power generation" and will "withdraw from financing new coal-fired power and heating plants".⁷⁰ Furthermore, the policy "applies to all of ADB's sovereign and nonsovereign operations, including project loans, sector loans, policy-based loans, results-based loans, financial intermediary loans, equity participation, and technical assistance".⁷¹ This tells us that the ADB will not, intentionally, fund

the construction of new coal capacity (although the risk of 'hands off' financial intermediary lending means that such investments can sometimes happen via the back door), and implicitly includes captive coal in this.

Elsewhere in the same policy, the ADB states that it will "support the decarbonization of industrial processes... [and] explore solutions...to decarbonize the various direct uses of fossil fuels" in industry.⁷² Again, this implies that ADB might support industrial facilities such as smelters to transition away from captive coal to less carbon intensive energy sources. However, as Recourse highlighted in its submission to the 2021 Energy Policy Review, there is no timeline for this commitment and it fails to explicitly state that ADB would not fund facilities that are reliant on captive coal.⁷³

The ADB is also currently in the process of reviewing its Environmental and Social Framework, which contains a draft Prohibited Investment Activities List that is aligned with the 2021 Energy Policy. Similarly, the current wording of the Prohibited Investment Activities List is vague and leaves the question of whether ADB will finance coal-fired power generation for industrial use, such as captive coal units constructed to support steel production or other metal processing, unanswered.⁷⁴ It also leaves open the possibility of ADB financing projects that are functionally reliant on new coal power. This should be strengthened to make clear that ADB will not fund any coal projects or projects that are reliant on coal power.

Green bonds

The ADB has a different approach to green bonds to that of the IFC. Whereas the IFC invests in green bonds issued by financial intermediaries, the ADB instead

issues its own green bonds for purchase by external investors, and allocates the proceeds to eligible projects within ADB's own portfolio.

To demonstrate how these proceeds are used, the ADB has published not only its own *Green and Blue Bond Framework*⁷⁵, which it says is consistent with the ICMA's *Green Bond Principles*, but also a list of projects that it deems eligible for green and blue bond financing.⁷⁶ The ADB's *Green and Blue Bond Framework* states that it does not consider financial intermediary investments eligible for the use of green bond proceeds, greatly reducing the risk of funds supporting captive coal.

The one potential gap in the *Green and Blue Bond Framework* is a distinct vagueness around "projects that promote low-carbon travel".⁷⁷ Such projects would be eligible for green bond financing, but it is unclear whether industrial facilities that contribute to electric vehicle supply chains, such as a coal-powered nickel smelter, would be included within this definition. However, the framework does also state that it is "based on the principles of the general typology of mitigation and adaptation activities included in the joint MDB approach".⁷⁸ As we have seen above, projects involving the mining and processing of metals deemed crucial for "low carbon technologies", including nickel smelters, are potentially eligible activities for climate mitigation finance.⁷⁹ This may therefore leave a gap whereby metal processing facilities that play a role in sustainable energy transitions, but which are ultimately themselves powered by captive coal, could still be financed under ADB's *Green and Blue Bond Framework*. ADB should urgently clarify this and ensure that captive coal-powered facilities are not an eligible use of green bond proceeds.

Portfolio

It should be noted that a review of ADB's portfolio did not uncover any clear connections to captive coal or projects reliant on captive coal (although of course, given the poor level of transparency and lack of vital environmental and social information disclosed about financial intermediary investments, this is no guarantee that such connections do not exist).⁸⁰

Recommendations for ADB

- During the current review of its Environmental and Social Framework, ADB should amend its draft Prohibited Investment Activities List to clarify that it will not invest in captive coal units or projects that would not be carried out without dedicated coal-based power supply.
 - ADB should use the upcoming mid-term review of its Energy Policy to clarify its exclusion on coal and explicitly state that it will not fund coal for industrial uses, or any projects that are reliant on captive coal units.
 - ADB should commit, also in the upcoming mid-term review of its Energy Policy, to stop funding all fossil fuel projects, including fossil gas projects, altogether.
 - ADB should develop a timeline and clear targets for supporting the phase out of fossil fuels for industrial uses and should support the development of low-carbon alternatives to coal in the nickel, steel and cement industries.
- ADB should provide a clearer definition of projects that are eligible for green bond proceeds and clearly exclude socially and environmentally destructive industrial processes, such as nickel smelting, from that definition.
 - ADB must publish the name, sector and location of all high and medium risk projects it supports through financial intermediaries, to enable public tracking and assessment of ADB's fossil fuel commitments. Without transparency reforms, there is no way for the general public to know if public finance is ultimately supporting coal, or other fossil fuels, via financial intermediaries.
 - ADB should contribute to remediating any harms caused by existing or future financial support for coal power projects, captive coal projects, or projects reliant on captive coal.

Asian Infrastructure Investment Bank

Energy Sector Strategy

On paper, the AIIB's approach to excluding coal has the most specific language to suggest that it does not plan to finance captive coal in the future. In its 2022 Energy Sector Strategy, the AIIB states that it will:

*not finance thermal coal mining, coal-fired power and heating plants **or projects that are functionally related to coal.** Projects functionally related to coal means associated facilities that are dedicated to enable the mining and use of coal **or projects that would not be carried out without dedicated coal-based power supply**" (emphasis added).⁸¹*

This statement would appear to comprehensively cover captive coal units that act as dedicated power supply for metal smelters and other industrial processing facilities.

Nonetheless, several improvements could still be made to this approach. For example, as with other MDBs, the poor transparency and general lack of information on specific subprojects supported through AIIB's investments make it difficult to verify how this strategy is being applied in practice. Improvements to transparency and disclosure are therefore also required for AIIB to demonstrate that it has a watertight approach to ensuring that all investments, particularly those made via financial intermediaries, avoid supporting captive coal.

One clear example of the potential gap between the AIIB's policy and practice on coal comes from its investment in the IFC Emerging Asia Fund, which also supported the Shwe Taung Cement Company (which was also financed by the IFC, as mentioned earlier). In 2017, AIIB President Jin Liqun publicly claimed that AIIB had "no coal projects in our pipeline".⁸² In the same year, however, the AIIB approved a \$150m investment in the IFC Emerging Asia Fund, a financial intermediary fund run by the IFC's Asset Management Company, which a year later confirmed an investment in the Shwe Taung Cement Company.⁸³ This demonstrates exactly why warm words on coal from the AIIB must be followed through with stronger transparency to ensure that its investments are not still indirectly leaking to coal, as in this case.

Sustainable Development Bonds
Similarly to the ADB, the AIIB also uses the proceeds of bond issuances to fund eligible projects in its own portfolio. AIIB's Sustainable Development Bonds must not fund projects listed on AIIB's

Exclusion List or that are excluded in the Energy Sector Strategy.⁸⁴

While this means that captive coal should not be financed through the AIIB's Sustainable Development Bonds, it is notable that numerous gas power projects have been funded through this programme.⁸⁵ Although this is not in contravention of the Sustainable Bonds Framework, it should be noted that there is substantial scientific evidence that gas power expansion is incompatible with limiting global temperature increases to 1.5°C. Using funds targeted for sustainable development to support any fossil fuel expansion, which exacerbates poverty and climate change and disproportionately impacts women and other marginalised peoples, seems completely contrary to the intention and spirit of the Sustainable Development Goals.

AIIB-Amundi Climate Change Investment Framework

Another relevant framework for assessing AIIB's approach to energy and climate investments is the Climate Change Investment Framework (CIIF), co-produced with asset manager Amundi, which guides how AIIB's \$500m Asia Climate Bond portfolio is used.⁸⁶ The purpose of the framework is to give investors insight into what extent the activities of fixed income bond issuers, including those issuing 'labelled' instruments such as green and sustainability bonds, are aligned with the goals of the Paris Agreement on Climate Change.

While a full analysis of the detail and implications of the CIIF is beyond the scope of this paper, some key points are of note. On the positive side, the CIIF highlights that bonds that are ringfenced for a defined use of

proceeds may fail to take into account the wider portfolio activities of the issuer, and argues that investors should analyse "an issuer's entire balance sheet" to understand the full environmental risk of the investment.⁸⁷ Hypothetically, this could encourage investors to be more circumspect when it comes to investing in green bonds issued by banks that are funding coal expansion in other parts of their portfolio (as IFC has done with BDO Unibank in recent years).⁸⁸

However, there is also cause for concern elsewhere in the CIIF. Firstly, there is no specific exclusion or indeed mention of whether issuers are funding coal or captive coal. Instead, the framework provides metrics and a methodology for assessing whether issuers are meeting the goals of the Paris Agreement with regards to mitigation, adaptation, and contribution to an energy transition via investments in "products and services designed for a low-carbon and climate resilient economy". It is in this last area that metal smelting projects, and other industrial processes reliant on captive coal, could be included, not least because the CIIF is incredibly vague on what might be included within these products and services, simply noting that there is no global consensus.⁸⁹

Furthermore, in the methodology section on assessing an issuer's approach to mitigation, while the CIIF acknowledges that the Paris Agreement calls on parties to make "efforts to limit the temperature increase to 1.5°C above pre-industrial levels", the methodology calls for a "2 degree approach". The mitigation methodology also relies on the controversial EU Taxonomy for Sustainable Activities, which identifies fossil gas and nuclear power as possible green solutions.

Recommendations for AIIB

- In the upcoming mid-term review of its Corporate Strategy, AIIB must ensure that no form of AIIB financing, including climate finance and sustainable/green bonds, supports captive coal projects or projects reliant on captive coal.
- AIIB must publish the name, sector and location of all high and medium risk projects it supports through financial intermediaries, to enable public tracking and assessment of AIIB's fossil fuel commitments. Without transparency reforms, there is no way for the general public to know if public finance is ultimately supporting coal, or other fossil fuels, via financial intermediaries.
- AIIB should stop funding gas power projects through its Sustainable Development Bonds programme and amend its Energy Sector Strategy to stop funding gas altogether.
- AIIB should contribute to remediating any harms caused by existing or future financial support for coal power projects, captive coal projects, or projects reliant on captive coal.

Better captive coal policies are possible

As the analysis above demonstrates, there is a wide degree of variance between the way in which financial institutions approach the issue of captive coal, sometimes within their own financing frameworks. While in some cases the application of coal exclusion policies to captive coal is unclear, in others (most notably the WBG) deliberate carve-outs have been introduced to allow institutions (and their intermediaries) to continue funding captive coal.

This is not a position taken by all development finance institutions (DFIs) however, nor even by all commercial banks. Among DFIs, FMO (a Dutch DFI that invests in the private sector) clearly states that it will not directly finance "new infrastructure or any business with planned or expected expansion of infrastructure for the use of Coal for captive power and/or heat generation".⁹⁰ It also states that it will not indirectly finance, via financial intermediaries such as commercial banks and private equity funds, "any business with planned expansion of captive Coal infrastructure used for power and/or heat generation".⁹¹ This is positive insofar as it would appear to prevent both direct and indirect investments in captive coal, that it covers the financing of projects reliant on captive coal, and that it also prevents the funding of businesses with captive coal expansion plans (meaning, for example, that companies like Harita Nickel would not be eligible for general corporate loans or equity investments under this policy). There is one drawback to this policy, however, in that footnotes state that this does not apply to captive coal used to produce chemical reactions as in steel production.⁹² While FMO states that this is because of "the lack of feasible and commercially viable alternatives",

BankTrack has highlighted that, "given recent advancements in fossil-free steel production, a coal phase-out in steel production is now technologically

feasible by 2040 globally".⁹³ With the steel industry contributing 11% of global CO₂ emissions and coal-free alternatives increasingly promising, it is essential that DFIs cease the financing of new captive coal for steel production as well.

The British DFI, British International Investment (BII), also has a strong policy on captive coal. In its 2020 fossil fuel policy, BII states that it will "not finance expansions of existing captive coal or new captive coal operations" and that it will not invest in a business with plans to expand or create new captive coal capacity.⁹⁴ Again, this policy does unfortunately not apply to captive coal used for chemical reactions in steel production. Furthermore, BII will consider investments in businesses with existing captive coal capacity under certain conditions.⁹⁵ This could potentially allow BII to fund businesses or industrial parks that have already constructed captive coal units, and in doing so prolong the life of the captive coal units. However, it is positive that the BII policy would also require investees to commit to "work with [BII] on transitioning to alternatives".⁹⁶

It is also worth noting that some commercial banks are also waking up to the need to explicitly exclude captive coal in their policies. In February 2024, Barclays adopted an amended fossil fuel policy which extends its ban on the project financing of new coal capacity to also include captive coal.⁹⁷ Of course, as one of the world's major financiers of fossil fuels, Barclays' approach to fossil fuel exclusions still has a long way to go, as BankTrack and ShareAction highlighted in response to the announcement.⁹⁸ However, this move does at least demonstrate that even commercial banks that are heavily invested in the fossil fuel industry are alive to the issue of captive coal. Standard Chartered and HSBC have also explicitly ruled out financing for captive coal.⁹⁹

A model captive coal policy?

So what would a good DFI policy on captive coal look like?

For a start, a model captive coal policy at public finance institutions would be in line with the methodology used for the Coal Policy Tracker (developed by Reclaim Finance).¹⁰⁰ This means, *in addition to* the exclusions on financing for grid-connected coal and its developers described in this methodology, a strong captive coal policy would also:

- 1. Prevent DFIs providing project finance to captive coal power plants and metallurgical coal infrastructure.** This should cover all industrial uses of captive coal including the production of nickel, aluminium, steel, cement and other commodities.
- 2. Prevent DFIs financing projects that are reliant on captive coal.** For example, DFIs should not finance smelters for the production of nickel, aluminium or steel that rely on coal-fired power, regardless of whether the investment finances the construction of captive coal capacity.
- 3. Prevent general corporate financing of captive coal developers.** In line with the recommendations of the Coal Policy Tracker, DFIs should ensure the exclusion of all financial services to companies planning projects that are powered by new captive coal capacity.
- 4. Apply to all direct and indirect finance.** Captive coal should not be supported by any form of financial intermediary investment, trade finance, technical assistance or other indirect DFI financing.



Schoolboys look on to the captive coal plant which sits close to their school on the Morowali Industrial Park in Central Sulawesi, Indonesia. Photo by Esa Setiawan / Trend Asia.

Recommendations for DFIs

Our core recommendation for all DFIs is to introduce strong and robust coal exclusion policies, in line with the requirements of the CPT, that equally prevent the financing of captive coal (as described above) and apply to all forms of direct and indirect support.

However, there are also several interim measures that the WBG, ADB and AIIB could take to adjust their existing policies. Together, these recommendations would help to prevent future financing of captive coal, ensure that climate finance is not used to fund projects reliant on captive coal, and improve transparency around the subprojects ultimately supported by MDB finance (particularly via financial intermediaries).

Recommendations for the World Bank Group



The World Bank should amend its Energy Sector Directions paper to ensure that:



the Bank does not provide support to greenfield coal power generation projects in any circumstances;



this exclusion also applies to captive coal units that produce heat and power for industrial uses;



the Bank stops funding gas and all other fossil fuel projects altogether.



The IFC must immediately close the loophole in its Green Equity Approach for captive coal. The IFC's definition of 'coal-related projects' should include captive coal-fired power plants for industrial use as well as projects that are functionally reliant on captive coal-fired power plants.



The IFC should introduce explicit terms into its debt investments to prevent funds being used to support captive coal-fired power plants or projects that are functionally reliant on captive coal.



The IFC should use its leverage at the point of investment to encourage financial intermediary clients to stop supporting coal and captive coal expansion. In cases where the client does not agree, the IFC should commit to stop doing any business with financial intermediaries engaged in coal expansion.



In the upcoming review of its Performance Standards, The IFC should develop a standalone Performance Standard on Climate Risk that categorically rules out financing for captive coal projects or projects that would not exist without captive coal. For example, AIIB's Energy Sector Strategy commits to "*not finance thermal coal mining, coal-fired power and heating plants or projects that are functionally related to coal*" which includes **projects that would not be carried out without dedicated coal-based power supply**" (emphasis added).¹⁰¹



Furthermore, the IFC should develop a distinct Standard on Financial Intermediary lending, given it comprises a majority of IFC's portfolio. This should integrate the requirements currently set out in the IFC's 'Guidance Note on Financial Intermediaries' and Green Equity Approach, and make them mandatory for financial intermediary clients.



The IFC should publicly disclose the name, sector and location of all subprojects financed via financial intermediary lending, as well as the loan contracts agreed with borrowers, to enable greater transparency and public verification over the impacts of its financing.



The WB and/or IFC should contribute to remediating any harms caused by existing or future financial support for captive coal projects and projects reliant on captive coal.

Recommendations for ADB



During the current review of its Environmental and Social Framework, ADB should amend its draft Prohibited Investment Activities List to clarify that it will not invest in captive coal units or projects that would not be carried out without dedicated coal-based power supply.



ADB should clarify its Energy Policy exclusion on coal to explicitly state that it will not fund coal for industrial uses or any projects that are reliant on captive coal units.



ADB should commit, also in the upcoming mid-term review of its Energy Policy, to stop funding fossil gas projects altogether.



ADB should develop a timeline and clear targets for supporting the phase out of fossil fuels for industrial uses and should support the development of low-carbon alternatives to coal in the nickel, steel and cement industries.



ADB should provide a clearer definition of projects that are eligible for green bond proceeds and clearly exclude socially and environmentally destructive industrial processes, such as nickel smelting, from that definition.



ADB must publish the name, sector and location of all high and medium risk projects it supports through financial intermediaries, to enable public tracking and assessment of ADB's fossil fuel commitments. Without transparency reforms, there is no way for the general public to know if public finance is ultimately supporting coal, or other fossil fuels, via financial intermediaries.



ADB should contribute to remediating any harms caused by existing or future financial support for coal power projects, captive coal projects, or projects reliant on captive coal.

Recommendations for AIIB



In the upcoming mid-term review of its Corporate Strategy, AIIB must ensure that no form of AIIB financing, including climate finance and sustainable/green bonds, supports captive coal projects or projects reliant on captive coal.



AIIB must publish the name, sector and location of all high and medium risk projects it supports through financial intermediaries, to enable public tracking and assessment of AIIB's fossil fuel commitments. Without transparency reforms, there is no way for the general public to know if public finance is ultimately supporting coal, or other fossil fuels, via financial intermediaries.



AIIB should stop funding gas power projects through its Sustainable Development Bonds programme and amend its Energy Sector Strategy to stop funding gas altogether.



AIIB should contribute to remediating any harms caused by existing or future financial support for coal power projects, captive coal projects, or projects reliant on captive coal.

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