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Citigroup Fails to Rein in on Oil and Gas Expansion to Address Amazon Rainforest in Crisis in New Commitments

Oakland, CA – Yesterday, finance giant Citigroup released an outline of its latest plans to achieve net zero in its energy and power portfolios. Despite these new commitments, Citi remains a major bankroller of oil and gas expansion in the Amazon biome – as it is the top [financier of state-owned oil companies in the Amazon](#). This reality is incompatible with Citigroup claims to value climate sustainability.

Citigroup is one of the only U.S. banks providing PetroEcuador, the state oil company of Ecuador, with financing. Ecuador's president Guillermo Lasso has announced decrees to double oil production; many of those expansion projects are slated for extraction in old-growth Amazon rainforest. The country is currently expanding into regions such as [Yasuní park](#), building roads in intact forests, and in areas near Indigenous peoples living in voluntary isolation. Oil concessions that span approximately 3 million hectares (30,000 square kilometers) of rainforests are slated to be auctioned off this year.

In Peru, state-owned oil company PetroPerú, which receives financing ([\\$1.3 billion USD on a project financing term loan for the Talara Refinery](#)) from Citigroup, is seeking to partner with a private oil company to keep its floundering operations going, despite [push-back](#) from the Wampis Nation and other Indigenous communities whose territories it is damaging. Citi's new policy will not address nor prevent this oil and gas expansion in the Western Amazon.

Citi also has financial links to Petrobras, the state oil and gas company of Brazil that is also ranked as the fifth largest fossil fuel expansion company in the world. Citi has provided over [\\$1 billion USD](#) in loans to Petrobras, which is currently expanding offshore gas projects in Brazil. Such projects are incompatible with calls to immediately end fossil fuel expansion, and endanger the Great Amazon Reef System.

"Without a clear commitment to end financing for fossil fuels, Citi's new targets fall short," **said Pendle Marshall-Hallmark, Climate and Finance Campaigner at Amazon Watch**, "Citi cannot call itself a climate leader as it continues to pour direct financing into oil and gas expansion projects in critical biomes like the Amazon. If Citi is serious about aligning its portfolio with its stated values, it must commit to end fossil fuel expansion immediately, in line with IPCC science and IEA recommendations."

"Among Citi's top clients are Marathon and Chevron – two of the largest refiners of crude oil from the Amazon. The direct financing Citi provides to PetroEcuador enables expanding oil drilling in Ecuador in

violation of the rights of Indigenous peoples from seven nationalities. It is vital that Citi stop funding oil expansion, especially in the Amazon and other critical regions of global concern,” **said Tyson Miller, Amazon Campaign Director at Stand.earth.**

Citi announced it will use “absolute” emissions reduction targets, which contrast with the “intensity” targets currently used by other major banks tied to Amazon oil such as JPMorgan Chase and Goldman Sachs. Citi is also committing to measure Scope 1, 2, and 3 emissions in the energy sector. Because absolute emissions increases are what drive the climate crisis, Citi’s decision to track its financed absolute targets instead of its financed intensity targets is a step toward accountability.

Nevertheless, the firm falls short of climate action. Despite several major reports published in the last year – including the [IPCC](#) and industry-respected [IEA](#) – calling for an immediate end to fossil fuel expansion, Citi’s latest policy provides a grace period of two more years before it will begin engaging with its biggest fossil fuel clients (including the infamously human-rights violating companies [Exxon](#), [Saudi Aramco](#), and major Amazon polluter, [Chevron](#)) to assess alignment with the bank’s net zero targets.

Citigroup says that it will “encourage the responsible retirement of carbon-intensive assets rather than divestment” and that it will assess its relationships with clients and “prioritize partnering on transition strategies before turning to client exits as a last resort.” Fossil fuel giants that Citi continues to prop up have known about the need for “transition strategies” for [decades](#), and have failed to convert into companies that offer alternative sustainable energy sources.

About the Exit Amazon Oil and Gas Campaign

The [Exit Amazon Oil and Gas campaign](#), led by Amazon Watch, and Stand.earth in collaboration with CONFENIAE, COICA, is calling on banks to commit to exclude financing for oil and gas in the Amazon biome, starting with ending its expansion. To date, six European banks have made commitments to end project and/or trade finance of Amazon oil. Not a single U.S. bank has made any commitments.

The campaign follows research completed by Stand.earth and Amazon Watch that exposes links between leading banks in the Global North and the Amazon oil and gas trade. An [August 2020 report](#) resulted in several major [European banks committing to end financing for the trade of new oil](#) from the Ecuadorian port of Esmeraldas, and some have since extended [commitments into Peru](#). That investigation was followed by a scorecard report titled [Banking on Amazon Destruction](#), revealing the ways that not only European, but also U.S. banks, remain highly exposed to the risks of Indigenous rights violations, environmental degradation, corruption, and other harms due to their ongoing relationships with oil companies and traders operating in the Amazon rainforest.

The opportunity for an Amazon oil and gas exclusion policy follows a precedent set by the successful Indigenous-led campaign resulting in major banks excluding financing for Arctic oil drilling. The Exit Amazon Oil and Gas campaign also addresses one of the strategies in the [Amazonia For Life: Protect 80% by 2025](#) initiative led by Indigenous communities calling for the permanent protection of the rainforest.



Learn more at exitamazonoilandgas.org.

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