

1st deadline: November 11, 2020

2nd deadline: March 31, 2021

3rd deadline: October 5, 2021

4th deadline: June 30, 2022

Mr. KISHIDA Fumio, Prime Minister

Mr. HAYASHI Yoshimasa, Minister for Foreign Affairs

Mr. TANAKA Akihiko, President, Japan International Cooperation Agency (JICA)

Re: Japanese Government Must Not Support the Indramayu Coal-fired Power Plant Expansion Project in West Java, Indonesia

We are writing to call on the Japanese government and the Japan International Cooperation Agency (JICA) not to support the expansion of the Indramayu coal-fired power plant (1,000 MW) (hereinafter, the “Project”) in West Java, Indonesia.¹ The local community² as well as the international community³ have long expressed concern and strong opposition to the Project.⁴ There are mainly 6 reasons why this coal power plant must not be constructed as below;

- (1) The Project will destroy or adversely affect the livelihoods of thousands of local farmers and fishermen because the power plant will be constructed in the middle of farmland and along the fishing grounds.⁵ The tenants and day laborers have been growing their rice, vegetable and fruits all year long since their ancestors. When the season comes, the small-scale fishermen catch small shrimp called “*rebon*” along the coast. Monetary compensation and livelihood restoration programs, such as livestock-raising and skill-training, even if provided, are not sufficient to restore their livelihoods and thus not a true solution⁶;
- (2) The Project will expose the local community to a higher risk of health damage.⁷ The power plant will not use any of the BAT (best available technology) that are installed in most of the coal-fired power power plants in Japan even though the power plant will emit air pollutants, including SOx, NOx and PM2.5⁸;
- (3) The Project has failed to ensure appropriate consultation and sufficient information disclosure with local farmers and fishermen. They will be heavily affected by the Project but were not invited for any consultation to prepare an Environment Impact Assessment (EIA) report.⁹ Likewise, there was no appropriate participation by affected peasants in the planning of the Land Acquisition and Resettlement Action Plan (LARAP).¹⁰ These defective processes are clearly illegal under the Indonesian laws^{11 12};
- (4) The Project has caused serious human rights violations and has threatened the freedom of expression at the local level. Several farmers who have voiced opposition to the Project became victims of criminalization, or were accused of false charges and put in jail for 5 to 6 months.¹³ According to the Indonesian law, the Indonesian government must protect farmers who try to protect the environment, but it failed to do so^{14 15};

- (5) The Project is not necessary for the Java-Bali electrical grid which has been pointed out to have excessive power supply. The Indonesian government's plan¹⁶ also indicates that the reserve margin in the grid will be 30 to 45 % till 2028. Given the severe impact of COVID-19 on the economy, growth in electricity demand will also slow down. If the Project is pushed through with JICA's loan, Indonesian state-owned electricity company Perusahaan Listrik Negara (PLN) or Indonesian government will have to repay this loan for decades for such unnecessary plant. This means an unreasonable burden on the future generations;
- (6) The Project entails the risk of becoming a stranded asset¹⁷ because it is necessary even for developing countries to completely stop the operation of coal-fired power plants by 2040 to achieve the Paris Agreement's long-term goals.¹⁸ It is obvious that the building of this power plant, even with high efficiency or ultra-super critical (USC) technology, is inconsistent with the Paris goals¹⁹ and must not be allowed in order to tackle the climate crisis and make a credible transition toward a decarbonized society. Furthermore, if the Project is pushed through with JICA's loan, PLN or the Indonesian government will have to pay back for decades for such stranded asset. This means an unreasonable burden on the future generations again.

The Project must not be pushed through at the expense of the livelihoods and environment of the local community, or in exchange for future generations' opportunities and choices, and global climate. In addition, the Project does not align with the policies of the Japanese government and the JICA Guidelines for Environmental and Social Considerations (the Guidelines) as described in the footnotes. We strongly demand that the Japanese government and JICA not finance this coal plant for the Indramayu community and future generations in Indonesia and the world.

Cc: Mr. SUZUKI Shunichi, Minister of Finance
Mr. HAGIUDA Koichi, Minister of Economy, Trade and Industry
Mr. YAMAGUCHI Tsuyoshi, Minister of the Environment
Mr. MATSUNO Hirokazu, Chief Cabinet Secretary
Mr. ODAWARA Kiyoshi, State Minister for Foreign Affairs
Ms. SUZUKI Takako, State Minister for Foreign Affairs
Mr. OKAMOTO Mitsunari, State Minister of Finance
Mr. OIE Satoshi, State Minister of Finance
Mr. HOSODA Kenichi, State Minister of Economy, Trade and Industry
Mr. ISHII Masahiro, State Minister of Economy, Trade and Industry
Mr. OOKA Toshitaka, State Minister of the Environment
Mr. MUTAI Shunsuke, State Minister of the Environment
Mr. KANASUGI Kenji, Ambassador of Japan to Indonesia

LIST OF SIGNATORIES

This letter is signed by XXX organizations and XXX individuals, including those working at international and regional levels plus organizations working nationally in XX countries.

INITIAL SIGNATORIES

Wahana Lingkungan Hidup Indonesia (WALHI – FoE Indonesia)
WALHI West Java
Friends of the Earth Japan

350.org Japan
Japan Center for a Sustainable Environment and Society (JACSES)
Kiko Network, Japan
Mekong Watch, Japan

Contact:

Friends of the Earth Japan
1-21-9, Komone, Itabashi, Tokyo, 173-0037
Tel: 03-6909-5983 Fax: 03-6909-5986

¹ JICA conducted the feasibility studies of the Project in 2009-2010 and is currently disbursing its loan for the consulting service, such as the basic design, under the scheme of Engineering Service (E/S) Loan. The loan agreement of E/S loan was concluded in March 2013 with the amount of 1,727 million Yen (USD 16.08 mil). Japanese government and JICA have repeatedly explained, so far, that JICA will start its appraisal or review of the Project to decide whether JICA will provide its main loan, or not, once Japanese government receives an official request from Indonesian government.

² Farmers from Indramayu visit Japan to submit a letter to demand the Japanese government and JICA stop their support (April 2019) <https://www.foejapan.org/en/aid/190423.html>

³ 187 CSOs from 26 Countries Call on Japanese Government to Take Quick Actions on Two Farmers Illegally Detained in Indonesia - Human Rights Abuse Intensified against Local People Protecting their Life and Environment from JICA-Funded Dirty Coal Power Project in Indramayu, West Java (October 2018) <https://www.foejapan.org/en/aid/181012.html> ; 280 CSOs from 47 Countries Call on Japanese Government to Reject Financing for Cirebon and Indramayu Coal Plants in West Java, Indonesia (March 2017) <https://www.foejapan.org/en/aid/170323.html>

⁴ This is a violation of the Guidelines which require the Project to ensure “social acceptability” among local stakeholders, such as local residents.

⁵ The Project acquires 275.4 hectares of land.

⁶ This is a violation of the Guidelines which require the Project to improve or at least restore their standard of living, income opportunities, and production levels.

⁷ Some local community members, especially children, have been already suffering from health damages, such as cough or respiratory diseases, due to the existing coal-fired power plant (330 MW x 3 units), which started its commercial operation in 2011.

⁸ This is a violation of the Guidelines which require the Project to refer as a benchmark to internationally recognized standards and to the good practices etc. of developed nations including Japan. Please refer to the table which shows the comparison of the pollution control technology between coal-fired power plants in Japan and ones overseas supported (to be supported) by Japanese public financiers at https://sekitan.jp/jbic/wp-content/uploads/2014/01/Comparison-of-pollution-control-tech-v11_en.pdf.

⁹ The local farmers filed a lawsuit against the Project and won a victory once when the administrative district court in Bandung declared the cancellation of the environment permit for the Project in December 2017. The district court confirmed that the Indramayu Regency had no authority to issue the environment permit for the Project but the West Java Governor had it, while the Regency had issued it in 2015. However, the Higher Court in Jakarta and the Supreme Court dismissed the lawsuit respectively in April, September 2018, and October 2019, stating that such complain needed to be filed within 90 days since the authority disclosed the information. But the information

dissemination by the authority was insufficient and the farmers couldn't learn such important information in those times.

¹⁰ The process of the land acquisition has raised lots of questions. The government authority had started paying land compensation for landowners since December 2016 before the final version of LARAP was completed in September 2017. While the landowners, who are assigned to hand the compensation for crops to the tenant farmers after receiving it from the authority, usually don't provide any document or proper explanation, tenant farmers could not have any opportunity to express their opinion about or even to know about the standard of the compensation for crops. Likewise, it was not ensured that the fisherman and the daily farm workers could learn about the measures for their loss of livelihoods or income opportunity.

¹¹ These are violations of the Guidelines which require the Project to ensure consultations with appropriate participation by and information disclosure with affected people and communities when preparing an EIA or LARAP. Also, it is another violation of the Guidelines which require the Project to comply with the laws of host countries.

¹² Government Regulation No. 27/2012 on the environmental permit; Ministry of Forestry and Environment Regulation No. 17/2012 on Guideline for Public Participation in EIA and Environmental Permit; and Law No. 2/2012 on Land Acquisition in the Public Interest (Indonesia)

¹³ Since the farmers' victory in the district court in December 2017, criminalization by the Indonesian government against them has started. Firstly, three farmers were unjustly arrested in December 17, 2017 with a false accusation of "insulting national flag," or "raising the national flag upside down." Although having being released after 23 hours then, they were unjustly detained again since September 2018 and falsely convicted with 5 months in jail for two members, and with 6 months for the other one. Even though they firmly denied such false accusation against them, there was no justice from the Indonesian government. Aside from this "insulting national flag" case, there was another criminalization case, where four local residents, including one of the plaintiffs of the said administrative lawsuit, were imprisoned due to the violence case with a subcontractor of PLN over the construction of access road for the Project on November 29, 2017. These four residents were detained from the beginning of April 2018, and a 6-month prison sentence was ordered.

¹⁴ This is a violation of the Development Cooperation Charter of the Japanese government, which states that "Japan will pay adequate attention to the situation in the recipient countries regarding the process of democratization, the rule of law and the protection of basic human rights," as "Principles for securing the appropriateness of development cooperation." Also, it is another violation of the Guidelines which require the Project to comply with the laws of host countries.

¹⁵ Law No. 32/2009 on Environmental Protection and Management (Indonesia)

¹⁶ Electricity Supply Business Plan (RUPTL) (2019-2028)

¹⁷ The latest report shows that the levelized cost of energy (LCOE) of new solar will cost less than new coal by 2020 and the LCOE of new wind will cost less than new coal by 2021 in Indonesia. It implies that the more new investments in coal power you make, the higher risk of stranded asset you need to face. (Carbon Tracker "How to waste over half a trillion dollars: The economic implications of deflationary renewable energy for coal power investments" (March 2020) <https://carbontracker.org/reports/how-to-waste-over-half-a-trillion-dollars/>)

¹⁸ Climate Analytics "Global and regional coal phase-out requirements of the Paris Agreement: Insights from the IPCC Special Report on 1.5°C" (September 23, 2019) <https://climateanalytics.org/publications/2019/coal-phase-out-insights-from-the-ipcc-special-report-on-15c-and-global-trends-since-2015/>

¹⁹ This is not consistent with Japan's Long-term Strategy under the Paris Agreement (approved by Cabinet in June 2019), where the Japanese government states "the Government will promote the development and investment of energy infrastructure abroad in order to contribute to the global reduction of CO2 emissions consistent with the long-term goals stipulated in the Paris Agreement."