

March 23, 2017

Mr. Shinzo ABE, Prime Minister
Mr. Taro ASO, Minister of Finance
Mr. Fumio KISHIDA, Minister of Foreign Affairs
Mr. Hiroshige Seko, Minister of Economy, Trade and Industry
Mr. Akira Kondoh, Governor, Japan Bank for International Cooperation (JBIC)
Mr. Shinichi Kitaoka, President, Japan International Cooperation Agency (JICA)
Mr. Kazuhiko Bando, Chairman and CEO, Nippon Export and Investment Insurance (NEXI)

Re: Japanese Government must Reject Financing the Cirebon and Indramayu Coal-fired Power Plants, West Java, Indonesia

Dear Mr. Abe, Mr. Aso, Mr. Kishida, Mr. Seko, Mr. Kondoh, Mr. Kitaoka, and Mr. Bando:

The undersigned groups from across the world have been deeply concerned about the role that Japan has been playing in pushing through the construction of new coal-fired power plants abroad, including projects in Botswana, Indonesia, India, Mongolia, and Vietnam, even after the Paris Agreement was adopted in 2015 and entered into force in 2016. To fulfill the Paris Agreement, we understand that no new coal plants can be built to keep global warming under 2°C.

Most recently, we strongly condemn the decision of Japan Bank for International Cooperation (JBIC) and Nippon Export and Investment Insurance (NEXI) to finance and provide insurance for the re-expansion of the Tanjung Jati B coal-fired power plant project (Unit 5 and 6, a total installed capacity of 2,000 MW) in Central Java, Indonesia, last February, after French commercial banks withdrew from the bank consortium for this project in line with their commitments to reduce coal finance. This comes less than a year after the JBIC's financing of the controversial Batang coal power plant project, with a capacity of 2,000 MW, in the same Central Java, in June 2016.

And it is cautiously alerted that Japan is considering financing two more new coal-fired power plants in West Java, Indonesia: namely the expansion of the Cirebon coal-fired power plant project (1,000 MW) to be supported by JBIC and NEXI, and the expansion of the Indramayu coal-fired power plant project (1,000 MW) to be funded by Japan International Cooperation Agency (JICA). We urge the Japanese government to immediately reject funding of these two coal fired power plants as such funding will undermine global efforts to dramatically decrease carbon emissions in line with the Paris Agreement and a 2°C global warming limit. Additionally, these two projects would involve the following environmental and social concerns, based on which Japanese public agencies must deny financing for the two projects according to their own environmental and social guidelines.

In Cirebon, residents affected by the existing plant, for which JBIC and NEXI provided a loan and insurance, submitted their objection paper to JBIC's Examiners for Environmental Guidelines in November 2016. One of the principal problems raised in this objection paper was the resulting loss of livelihoods and income opportunities from the existing plant. Construction of the expansion plant in Cirebon gives rise to concern about similar impacts on livelihood. At the present time, however, appropriate and effective measures to improve or at least restore their livelihoods are absent for the residents engaged in small-scale fishery, salt production, agriculture etc. Therefore, the deterioration of residents' lives due to the impacts on livelihood will be repeated. This is a clear violation of the JBIC and NEXI's Guidelines which stipulate that *"The project proponents, etc.*

must make efforts to enable the people affected by the project to improve their standard of living, income opportunities, and production levels, or at least to restore them to pre-project levels.”

The residents affected by the expansion project also filed a lawsuit against the West Java provincial government, claiming that the environmental permit for the expansion project was not appropriately issued by the provincial government, including no correction in the Cirebon Regency spatial plan and the lack of communities’ participation in the process of developing the environmental impact assessment. The suit launched a legal action to demand the administrative court to nullify the permit. The public trial of this case started on January 11th this year and is ongoing. Japanese government must be fully aware that if the cancelation of the environmental permit is confirmed by legal decision, it becomes clear that the expansion project in Cirebon violates the JBIC and NEXI’s Guidelines, which require *“the compliance with environmental laws of the host nation and local governments concerned”* and *“the submission of environmental permit certificates issued by the host governments.”*

In Indramayu, the local residents have expressed their strong opposition against the expansion of coal-fired power plant by sending petition letters directly to JICA five times since last year. In the letters, they have repeatedly conveyed their concerns about the impact on health as well as their livelihoods, such as fishing and farming. It is clear that no *“social acceptability”* for this expansion project has been secured, which the JICA Guidelines require.

It is also reported that the relevant authorities of Indonesian government have failed to secure the appropriate and transparent processes in land acquisition and compensation measures as well as environmental assessment related to the Indramayu expansion project.

For example, the compensation for landowners has been already paid by the government authority since last December and the land-clearing work for the expansion project seems to be slated to start this March. However, no draft and final version of land acquisition / compensation plan and livelihood restoration plan has been completed or has been made public yet till today (as of the middle of March). While the landowners, who are assigned to hand the compensation to the tenants 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 the standard of the compensation for their crop. Likewise, it is not ensured that the fisherman and the daily farm workers could know about the measures for their loss of livelihoods or income opportunity. This is a fatal violation of the JICA environmental and social guidelines, which require *“appropriate participation by affected people in the planning, implementation, and monitoring of resettlement action plans”* and *“the disclosure of resettlement action plans.”*

The above-mentioned four projects in Indonesia are all located in Java Island and total capacity is 6,000 MW if all the projects are carried out as planned. In the meantime, it is reported that the electricity reserve margins in the Java-Bali grid have already reached 32.34 percent surplus. A government report states that the electricity reserve margins in the Java-Bali grid could reach 63 percent surplus in 2019 after all the power plants that is currently under construction are completed.¹ It is because the demand for electricity hasn’t been increasing as estimated due to the overestimated rate of economic growth by the Indonesian government. Thus, there should be a thorough analysis whether those coal plant projects are to primarily produce energy for people and about energy access for the poor, and whether any more sensible alternatives could be available.

¹ <http://www.djk.esdm.go.id/pdf/RUPTL/RUPTL%20PLN%202016-2025.pdf>

It has been already too huge burden for Indonesian communities to become the victims of land grabbing, environmental degradation, human rights violations, and divided community, giving in to Japan-funded coal projects. We call on the Japanese government to immediately reject financing the Cirebon and Indramayu coal-fired power plants in West Java. Japan must end its financing for coal projects and shift toward clean and sustainable renewable energy projects that will increase access to electricity without polluting local air and water or contributing to climate change.

Cc: Mr. Fumiya Kokubu, President & CEO, Marubeni Corporation
Mr. Yuji Kakimi, President, JERA Co., Inc.
Mr. Masahiro Okafuji, President & Chief Executive Officer, ITOCHU Corporation
Mr. Toshifumi Watanabe, President, Electric Power Development Co., Ltd. (J-POWER)
Mr. Kuniharu Nakamura, President and CEO, Sumitomo Corporation
Mr. Shigeki Iwane, President, Kansai Electric Power Company
Mr. Nobuhide Hayashi, President & CEO, Mizuho Bank, Ltd.
Mr. Takeshi Kunibe, President, Sumitomo Mitsui Banking Corporation
Mr. Takashi Oyamada, President & CEO, The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Mr. Hitoshi Tsunekage, President, Sumitomo Mitsui Trust Bank, Limited
Mr. Mikio Ikegaya, President, Mitsubishi UFJ Trust and Banking Corporation
Mr. Yoshio Kono, President and Chief Executive Officer, The Norinchukin Bank
Mr. Hideyuki Kudo, President and Chief Executive Officer, Shinsei Bank, Limited
Mr. Lee Duk-Hoon, Chairman & President, The Export-Import Bank of Korea
Mr. Philippe Brassac, Chief Executive Officer, Credit Agricole S.A.
Mr. Antoine Sirgi, Senior Country Officer Japan, Credit Agricole CIB, Tokyo Branch
Mr. Ralph Hamers, CEO and chairman Executive Board, ING Group
Mr. Yuichi Hirasawa, Director Corporate Clients, ING Wholesale Banking in Japan
Mr. Piyush Gupta, Chief Executive Officer, DBS Bank Ltd
Mr. Hiroshi Ito, Branch Manager, DBS Bank Ltd Tokyo Branch
Mr Samuel N. Tsien, Group Chief Executive Officer, OCBC Bank Ltd
Mr. Bernard Lloyd Fernando, General Manager, OCBC Bank Ltd Tokyo Branch

LIST OF SIGNATORIES

This letter is signed by 280 organizations, including those working at international and regional levels plus organizations working nationally in 47 countries.

INITIAL SIGNATORIES

Wahana Lingkungan Hidup Indonesia (WALHI – FoE Indonesia)
Friends of the Earth Japan
Japan Center for a Sustainable Environment and Society (JACSES)
Kiko Network, Japan
350.org Japan

INDONESIAN ORGANISATIONS

AEER (Aksi Ekologi dan Emansipasi Rakyat), Indonesia
Akar Rumput, Indonesia
ASEAN Youth Organization, Indonesia

AURIGA Nusantara, Indonesia
BaliFokus Foundation, Indonesia
Ecoton, Indonesia
Greenpeace Indonesia
Hijauku.com - Situs Hijau Indonesia
Jaringan Advokasi Tambang (JATAM), Indonesia
JATAYU, Indramayu, West Java, Indonesia
Kanopi Foundation of Bengkulu, Indonesia
Kelompok Stacia Hijau, Indonesia
Komune Rakapare, Indonesia
Komunitas Satwa Cirebon Timur, Indonesia
LBH Bandung, Indonesia
LPML Katur Nagari, Indonesia
Paguyuban UKPWR, Batang, Central Java, Indonesia
Rakyat Penyelamat Lingkungan (Rapel), Cirebon, West Java, Indonesia
Sahabat Alam, Indonesia
Sajogyo Institute, Indonesia
Serikat Tani Kerakyatan Sumedang, Indonesia
SERUNI, Indonesia
TuK Indonesia
WALHI Bangka Belitung
WALHI Yogyakarta (FoE Indonesia Yogyakarta)
WALHI South Kalimantan
WALHI South Sumatra
WALHI SumBar
WALHI West Java
WALHI West Sumatera
Waste4change
World Wildlife Fund for Nature Indonesia
YPBB
350 Indonesia

JAPANESE ORGANISATIONS

A SEED JAPAN
Campaign for Nuclear-free Japan
Fukuoka NGO forum on ADB, Japan
General Incorporated Association Oiso Eneshifuto, Japan
Global Alliance for Incinerator Alternatives Asia Pacific
Greenpeace Japan
Greens Japan
Japan International Volunteer Center (JVC)
Japan Tropical Forest Action Network (JATAN)
Mekong Watch, Japan
Network for Indonesian Democracy, Japan (NINDJA)
No Nukes! Noniyuku-kai, Japan
ODA reform network Kansai, Japan
Sarawak Campaign Committee (SCC), Japan
Tatebayashi Citizens' network for Climate-Change, Japan
Yokohama Action Research, Japan

REGIONAL AND/ OR INTERNATIONAL LEVEL ORGANISATIONS

The Altai Project
BankTrack
Development Indian Ocean Network
Focus on the Global South
Friends of the Earth England, Wales and Northern Ireland
Friends of the Earth International
GreenArea International
Greenpeace Southeast Asia
International Rivers
Inclusive Development International
IPEN (International POPs Elimination Network)
Leave it in the Ground Initiative (LINGO)
Market Forces
Rainforest Action Network
Rivers without Boundaries International Coalition
Socio-ecological Union
Toxic Action network Central Asia

NATIONAL-LEVEL ORGANISATIONS

Argentina

Amigos de la Tierra Argentina (Friends of the Earth Argentina)

Australia

Jubilee Australia, Australia
National Toxics Network, Australia

Austria

Finance and Trade Watch, Austria

Belgium

CNCD-11.11.11, Belgium
FairFin, Belgium
11.11.11 Coalition of Belgian NGOs

Bosnia and Herzegovina

Center for ecology and energy, Bosnia and Herzegovina
Center for Environment (Friends of the Earth Bosnia and Herzegovina)

Brazil

Amigos da Terra Brasil (Friends of the Earth Brazil)

Cameroon

Alternatives Durables pour le Développement (ADD), Cameroon

Canada

Above Ground, Canada

Friends of the Earth Canada

Côte d'Ivoire

African Center for Environmental Health, Côte d'Ivoire

Denmark

NOAH (Friends of the Earth Denmark)

El Salvador

CESTA (Friends of the Earth El Salvador)

France

Les Amis de la Terre (France Friends of the Earth France)

Germany

BUND (Friends of the Earth Germany)

Facing Finance, Germany

Urgewald, Germany

Ghana

Friends of the Earth Ghana

India

Conservation Action Trust, India

River Basin Friends, India

Italy

Re:Common, Italy

Kenya

Save Lamu, Kenya

Lebanon

IndyACT - Lebanon

Malaysia

Consumers Association of Penang, Malaysia

Friends of the Earth, Malaysia

Mauritius

Maudesco (Friends of the Earth Mauritius)

Mexico

Fronteras Comunes A.C., Mexico

Mongolia

OT Watch, Mongolia

Rivers without Boundaries Mongolia

Myanmar

88 Rakhine Generation Social
၈၈ ပွင့်လင်း (Ayeyawaddy)
Action Based Community Development (ABCD)
AD 2030 Vision (STW)
AD2030 Vision (RTD)
Ah Linn Tagar Library (STW)
Anndin Youth
Arakan National Network (ANN)
Arakan Ray Central Organization (A.R.O)
Aung Thu Kha Foundation (Kyauk Phyu)
Ayearwaddy West Development Organization. AWDO – Magway
Bago Youth Network
Beautiful Beach Development Network
Candle Light
CCSN - Chin Civil Society Network
Center for Environment and Resources Development in Arakan
Dawe Youth Fellowship
Dawei Development Association – DDA - Tanninthary
Dawei Research Association -DRA
Dawei Watch Foundation
Development Organization"
Earthrights International (ERI)
East Light Development Group
Eco-Dev ALARM
EDU Wave
Environment Conservation and Regional Development
Environmental protection Group (KTW)
Environmental Protection Group (MU)
Environmental protection Group (PNG)
GPI
Green Generation
Green Network
ILAM - ရှေးနေများကွန်ယက်
Justice and Peace of Myanmar
KECO - Kanpatlet Environment Conversation Organization
Khu Mee Women Organization
KLDO - Kanpatlet Land Development Organization
Ko Yan Taung Gawpaga Group (RB)
Kyauk Gyi Development Watch
Kyauk Phyu Social Network
Light House
LNGO
Magway MATA

MCDO - Matupi Community Development Organization
 Megawady Social Network (MA)
 MLDNRCO – Mon Land Development and Natural Resources Conservation Organization
 Mong Pan Youth Association
 Myanmar Alliance for Transparency and Accountability
 Myat Won Thit
 Myint Ma Kha Guard
 NLD ခရိုင်တွဲဖက်အတွင်းရေးမှူး
 NNER - ဟင်္သာတ
 Our Future Initiative
 Paung Ku
 People for People
 People Resource Group
 POPP (Peace for Peaceful Plurism)
 Progressive Voice, Myanmar
 Public Network
 Rahmonnya Peace Foundation
 Rakhine Coastal Association (GWA)
 Rakhine Social Network (PTW)
 Rakhine Women Association
 Rakhine Women Association (Taung Goat)
 Rakhine Women Network (STW)
 RDO
 Regional Development (Maung Taw)
 Renewable Energy Association Myanmar (REAM)
 Rural Development (KPU)
 Shwe Chan Myae
 SKY Youth (KPU)
 Social Program Aid for Civil Education
 Southern Youth
 TaKaPaw
 Tanintharyi Fisheries Partnership
 Tanintharyi Friends
 Tanintharyi Region MATA
 Taung Goat Social Network (TG)
 Than Dvae Beach Social Network (TDW)
 Thazin Legal Aid
 Tigit ဒေသစောင့်ရှောက်ရေးအဖွဲ့
 Wan Lark Rural Development Foundation - ရခိုင်
 Yae Kye Sann - ပဲခူး
 Yaung Chi Thit Group (MB)
 Ye Social Society
 စိမ်းလန်းပြင်ဦးလွင်
 နမ့်တူမြို့နယ်ဖွံ့ဖြိုးရေးနှင့်ပတ်ဝန်းကျင်ထိန်းသိမ်းရေးအဖွဲ့

နာရေးကူညီမှုဖောင်ဒေးရှင်း
ပန်းတိုင်ရှင်
ပရဟိတလူငယ်များအဖွဲ့
ပိုက်လိုင်းစောင့်ကြည့်ရေးအဖွဲ့
ပျိုးခင်းသစ် - ဧရာဝတီ
မူစံကွန်ယက်စုံဖွံ့ဖြိုးတိုးတက်ရေးအသင်း
မှိုင်းကွန်ယက်
ဖြူစင်မေတ္တာ
ရက္ခအားမာန်လူငယ်အဖွဲ့
ရခိုင်ဒေသ တရားမျှတရေးနှင့် စိမ်းလန်းစိုပြေရေး အစီအစဉ်
ရမ်းဗြဲမြို့နယ်ကျေးလက်ဒေသဖွံ့ဖြိုးရေးအဖွဲ့
ရိုးမချစ်သူ
လူငယ်မျိုးဆက်သစ်အင်အားစု
သဲကုန်းလူငယ်အဖွဲ့ချုပ်
အပစ်ရပ် စောင့်ကြည့်ရေးအဖွဲ့ - ချင်း
အလင်းသီတံ
အလင်းစေတမန်
အနောက်ဘက်ကမ်းခြေသာယာလှပရေး
ဦးရာဇ်မြေလူမှုကူညီရေးအဖွဲ့
ဧရာဝတီလူမှုဖွံ့ဖြိုးတိုးတက်ရေး
စေတီပြင်လူငယ်များအဖွဲ့
စောမူကွန်ယက်
တောင်သူသမဂ္ဂ
မေယုရင်သွီးလူမှုဖွံ့ဖြိုးရေးအဖွဲ့
မော်ကွန်းသစ်
ရှေ့ဆောင်လူမှုဖွံ့ဖြိုးတိုးတက်ရေး
ရောင်နီဦး
ရွှေကျင်ချစ်သူ
ရွှေရိပ်စစ်
အနောက်ဘက်ကမ်းခြေဧရာဝတီသဘာဝပတ်ဝန်းကျင်ထိန်းသိမ်းစောင့်ရှောက်ရေးအဖွဲ့
ကမ်းခြေအားမာန်
ပျားတောင်ဒေသလူမှုဖွံ့ဖြိုးရေးအဖွဲ့
သဇင်သွီးသစ်
ရွှေမှော်ဝန်းကျောက်တန်းဒေသဖွံ့ဖြိုးရေးအဖွဲ့

Nepal
Pro Public (Friends of the Earth Nepal)

Netherlands
Both ENDS, Netherlands

Milieudefensie, Netherlands

Norway

Framtiden i våre hender (Future in our hands), Norway

Papua New Guinea

Centre for Environmental Law & Community Rights (CELCOR) (Friends of the Earth Papua New Guinea)

Philippines

Aksyon Klima Pilipinas

Bagong Alyansang Makabayan-Bohol (New Patriotic Alliance - Bohol), Philippines

Bohol People's Art Development Center (BPADCI), Philippines

Bol-anong Artista nga may Diwang Dagohoy (BANSIWAG), Philippines

Center for Energy, Environment and Development, Philippines

Central Visayas People's Network for Life and Environment (Kinabuhi), Inc., Bohol, Philippines

Climate Reality Project Pilipinas

Cordillera Peoples Alliance, Philippines

Danggayan Dagiti Mannalon ti Cagayan Valley - KMP (Cagayan Valley Regional Peasant Alliance), Philippines

Farmers Development Center (FARDEC), Bohol Field Office, Philippines

Greenpeace Philippines

Green Thumb Coalition, Philippines

Healthcare without Harm Asia, Philippines

Hugpong sa Mag-uumang Bol-anon (HUMABOL) Unity of Boholano Farmers, Philippines

KALIKASAN PEOPLES NETWORK FOR THE ENVIRONMENT, Philippines

Legal Rights and Natural Resources Center-Kasama sa Kalikasan (Friends of the Earth Philippines)

Philippine Movement for Climate Justice

Sanlakas - Philippines

Women's Development Center of Bohol, Inc. (WDC), Philippines

World Wildlife Fund for Nature Philippines

350 Pilipinas

Poland

Polski Klub Ekologiczny (Friends of the Earth Poland)

Russia

Bureau for Regional Outreach Campaigns – BROCC, Russia

Biodiversity Conservation Center, Russia

ecocenter DRONT, Russia

Friends of the Siberian Forests, Russia

Russian Social Ecological Union (RSEU) (Friends of the Earth Russia)

Sakhalin Environment Watch, Russia

Transparent World, Russia

Sierra Leone

Friends of the Earth Sierra Leone

South Africa

groundwork (Friends of the Earth South Africa)

South Korea

Korea Federation for Environmental Movements (Friends of the Earth Korea)

Sweden

Fair Finance Guide Sweden

Switzerland

Pro Natura (Friends of the Earth Switzerland)

Taiwan

Wild at Heart Legal Defense Association, Taiwan

Thailand

Community Resource Centre Foundation, Thailand

Ecological Alert and Recovery Thailand (EARTH), Thailand

Human Rights And Environment Association (HREA), Thailand

Spirit in Education Movement (SEM), Thailand

Timor Leste

Haburas Foundation (Friends of the Earth Timor Leste)

Togo

Les Amis de la Terre-Togo

Tunisia

AEEFG, Tunisia

Turkmenistan

Ecology Club CATENA, Turkmenistan

United Kingdom

The Corner House, UK

United States of America

Alaska Community Action on Toxics, USA

Friends of the Earth US, USA

Sierra Club, USA

Ulu Foundation, USA

Uruguay

REDES (Friends of the Earth Uruguay)

Vietnam

The Law and Policy of Sustainable Development Research Center (LPSD), Vietnam

Individuals

Albena Simeonova, Bulgaria

Alexander Arbachakov, Taiga Research and Protection Agency, Russia

Arpa Wangkiat, Rangsit University, Thailand

Ashijya Otwong, Naresuan University, Thailand
Elena Kreuzberg, Holarctic Bridges
Maki Kumagai, Japan
Margaretha Quina, Indonesian Center for Environmental Law
Assoc.Prof.Dr. Renu Vejaratpimol, Academic EHIA Watch Network
Rusdy Simano, Indonesia

Contact:

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