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**COPY TO : STANISLAS POTTIER
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Paris, September 14th, 2016

Subject: Call to withdraw from the expansion project of Tanjung Jati B coal-fired power plant in Indonesia

On behalf of the Indonesian community coalition Rapel (Cirebon we would like to draw your attention to the ongoing environmental and social problems of the Cirebon Electric Power Plant in the West Java region of Cirebon, Indonesia. We urgently ask that you reconsider your financial involvement in the Cirebon Unit 2 Project and withdraw your support.

Rapel (Rakyat Penyelamat Lingkungan, or Environment Defender Community) Cirebon consists of more than 3,000 members of communities affected by the Cirebon power plant, from Kanci Kulon, Kanci, Buntet, Waruduwur, Citemu, Bandengan, Mundu, and Luwung villages. The group was established in 2007 and raised concerns about the adverse impacts of the Cirebon Unit 1 project, including the loss and damage of livelihoods, environmental destruction, health damage, intimidation and social conflict. The group has staged several protest actions against the project, demanded the local Cirebon government halt plant construction, and made representations directly to the plant developer, Cirebon Electric Power (CEP), more than 30 times. They have not received a response from the company.

Our concerns

Since the construction and operation of Cirebon Unit 1 Plant in 2007, the local community has suffered heavily from ongoing adverse environmental impacts of the plant. The people residing at villages near the plant have traditionally relied on small-scale fishing, shellfish harvesting, salt making, terasi-making and farming for their livelihood. These livelihoods are all but gone for the local residents due to Cirebon's pollution, use of water resources and impacts on the natural environment.

Impacts on local livelihoods

Fishing is the most important economic activity in Cirebon. The coastal area, where the coal plant and the jetty are currently located in Kanci Kulon, is very important for around 2000 fisherfolk, shellfish growers, and shellfish harvesters in Kanci Kulon, as it used to be a very productive fishing ground for small shrimp and fish as well as various types of shellfish. Tiny Cirebon shrimp, from which Cirebon takes its name, were caught and used to make terasi (shrimp paste), one of the area's main products. Since Cirebon Unit 1 began operations, there has been discernibly less catch in this area which led to small-scale fishermen

quitting. According to testimonies from local communities¹, fish and shrimp catches decreased by more than half since the beginning of the project in 2007. Many kinds of shellfish and other small types of biota used to be harvested from the mud at the coastal area during ebb tide almost every day before the project; now this is no longer possible.

The productivity of salt pans near the project site has also changed since Cirebon Unit 1 began its operations. Local people have been engaging with salt-making in dry season and the salt from this area used to be known for its quality. Since the coal power plant began operations, the color of the salt pans has turned darker or black. The salt makers now need to use salt pan fields to clean or screen the water, and also need to wash the products to remove the black particles. It takes significantly longer to make salt now and salt makers have been suffering greatly due to the lower quality of the salt produced, which has also led to lost jobs. Community representatives report that some 500 laborers in the affected our communities have lost their livelihood. Moreover, salt makers have tended to sell their land, instead of maintaining salt-making business. It is still uncertain whether such contamination has come from the coal power plant or not, but it is certain that local salt makers have never experienced this kind of contamination before the project.

Currently, around 400 tenants and landowners are unemployed because the landowners have sold their land for the project. Based on our discussion with the farmers, more than 40 landowners, who own around 7 hectares of farmland adjacent to the project site, have felt various impacts on their crops. In the farmland that was actually supposed to be acquired for the project, farmers are still continuing to till the rain-fed rice fields in rainy season (in December-March) and the other crops, such as green beans, cassava, corn etc. in the dry season (in April – June). But the harvest has decreased sharply, for both rice and other crops, for almost four years. Some heads of rice are simply found empty, and cannot be harvested. There is concern that some farmlands have had drainage and flooding problems due to the power plant interrupting the natural water flow of the area, and fly ash and coal dust from the plant could be spreading to the crops.

Impacts on Health

There have been anecdotal reports from local residents from the surrounding area of the Cirebon Unit 1 Plant of increased respiratory infections, which matches the government data showing there are more patients affected by acute upper respiratory tract infection in this area than other districts. Coal power plants are a significant source of air pollution, filling the air with toxic pollutants, including mercury, lead, arsenic, cadmium and tiny toxic particles that go deep into people's lungs. This pollution leads to an increased risk of lung cancer, stroke, heart diseases, and respiratory diseases. Harvard University has found that existing coal-fired power plants in Indonesia cause an estimated 6,500 premature deaths every year. Each large new power plant, like the Cirebon 2 Expansion (1000 MW capacity) is expected to result, on average, in the death of 600 Indonesians every year².

Lack of Appropriate Consultation and Transparent Procedure in EIA and land acquisition

The Construction of Cirebon Unit 1 started before any environmental impact assessment (EIA) was completed, and local communities have complained of lack of transparency during the land acquisition process for the plant site. There are accounts of local authorities and companies using intimidation to encourage local landowners to sell their land, and a similar situation is emerging in the process of EIA and the land acquisition for Cirebon Unit 2.

Based on the history of the existing Cirebon Unit 1, and ongoing community concerns with the consultation process in EIA and Land Acquisition for Cirebon 2 Project, we strongly believe financing this

¹ Those testimonies can be found in the Rapel Cirebon's community letter sent to JBIC on April 30, 2016, available on this page: http://www.banktrack.org/download/2016apr_cirebon_community_letter_to_jbic_final_docx/2016apr_cirebon_community_letter_to_jbic_final.docx

² <http://www.greenpeace.org/seasia/id/PageFiles/695938/full-report-human-cost-of-coal-power.pdf>

project is against the Equator Principles as well as Crédit Agricole's environmental and human rights policies, and we demand that you withdraw your support immediately.

Climate hypocrisy of Crédit Agricole

Additionally, Crédit Agricole announced in 2015 its decision to end its financing of coal-fired power plants in high-income level countries, and its support to all coal mine projects and to companies specialized in this area, because of its concerns about climate change. These decisions were welcomed as important first steps towards the end of the bank's support for coal. But they are insufficient in the face of the urgency of climate change and unacceptable a year after COP21.

As a signatory of the Paris Pledge for Action, Crédit Agricole "promised to ensure that the ambition set out by the Paris Agreement is met or exceeded to limit global temperature rise to less than 2 degrees Celsius". Financing new coal-fired power plants, as Cirebon 2, is in contradiction to this pledge : as demonstrated in a report published in December 2015 by Climate Action Tracker " even with no new construction, emissions from coal-fired power generation in 2030 would still be 150% higher than what is consistent with scenarios limiting warming to below 2°C above pre-industrial levels (middle of the range)"³, and even the most advanced (and costly) coal-fired power plants are not going to be consistent with a 2 degree goal⁴.

We believe that directly supporting the building of this new coal capacity, which will lock in a carbon-based infrastructure for decades to come will discredit your institution's stated position on climate change. With COP22 approaching, an evaluation of the commitments and actions taken by French banks will soon be made. In 2015, Crédit Agricole was one of the first banks committed to phase out financing to coal. But this year, Crédit Agricole would not appear like a progressive bank but as one of those still bankrolling the climate crisis. We believe that there is a high risk for Crédit Agricole to be posted on the sides of pro-coal Japanese companies in the development of new coal-fired power plants.

If you wish to send a clear signal that Crédit Agricole is engaged in the global energy transition, Crédit Agricole should extend the scope of its recent policy on coal power plants, and announce that there will be no financing of any new coal-fired power plant anywhere in the world, and start by immediately withdrawing from Cirebon 2 Expansion - in addition to Tanjung Jati B 2.

Yours sincerely,

Walhi / Friends of the Earth Indonesia
Les Amis de la Terre / Friends of the Earth France
Friends of the Earth Japan
JACSES
BankTrack
Greenpeace Indonesia
Greenpeace International
Greenpeace South East Asia

³ The Coal Gap: planned coal-fired power plants inconsistent with 2°C and threaten achievement of INDCs December, 1st, 2015, Climate Action Tracker :

http://climateactiontracker.org/assets/publications/briefing_papers/CAT_Coal_Gap_Briefing_COP21.pdf

⁴ OECD report : Aligning Policies for a Low-carbon Economy, OECD, 2015, <http://www.oecd.org/environment/Aligning-Policies-for-a-Low-carbon-Economy.pdf>

Ecofys report : The incompatibility of high-efficient coal technology with 2°C scenarios.

