

Indramayu, April 30, 2016

Mr. Shinichi Kitaoka  
President

Japan International Cooperation Agency (JICA)

**Re: Concerns and Demands about Indramayu Coal Fired Power Plant Project (Phase 2) in West Java, Indonesia**

We, Jaringan Tanpa Asap Batu Bara Indramayu (Indramayu free coal-smoke Community: JATAYU), are a communication network among the villagers from seven villages affected by both phases of Indramayu coal-fired power plant projects, or Phase 1 (3 x 300 MW) and Phase 2 (2 x 1000 MW). Currently, we are highly demanding the shutdown of Phase 1 plants and the cancellation of Phase 2 project, raising our concerns to the relevant Indonesian government agencies.

We are aware that your agency concluded a loan agreement with PT PLN (Persero) to provide 1,727 million yen as an Engineering Service for the Phase 2 on March 28, 2013, and is currently considering to provide your additional bigger loan for the construction of Unit 1 (1000 MW) in Phase 2 project.

Thus, through this letter, we would like to call your attention to three important issues regarding the Phase 2 project in Indramayu; that is, the process, the environmental and social impacts, and the corruption cases in the Phase 2 project described in detail as below.

1. For the EIA or AMDAL process, PT PLN, the agency in charge of the construction of the power plants in Phase 2 project, only invited a sub-district and village heads, who do not represent the concerns and opinions of the affected communities, such as fishermen and farmers, to the public consultation meeting. Such affected communities have never had an opportunity to raise their concerns, which are not reflected in the EIA at all.
2. For the land acquisition process, PT PLN only invited landowners, religious leaders, and village head to the socialization meeting on November 9, 2015 while fishermen, farmers and other affected communities were excluded or not invited. Our record on the socialization process is as followings:
  - a. In the early socialization process, land acquisition committee could not respond to questions from landowners about possible environmental impacts, such as impacts on agriculture, sea water, and health.
  - b. In the process of socialization, land acquisition committee, local government, and sub-district government only provided and described the information about how CSR and compensation will be provided.
3. For the public consultation on the framework of development plans for the Phase 2 project, land acquisition committee, PT PLN, and sub-district government only invited landowners, religious leaders, and village head. They selected the participants, so

that all the participants in the public consultation seemed to support the project. Whereas in the relevant law - Law No.2 / 2012 on the procurement of land for development and public interest, it is stipulated that the affected communities should be also present in the public consultation, but it didn't happen in this project.

4. It is also important to say that 90 % of the 269.7 ha-proposed project site is agricultural land and 10% is productive vegetables, with which the local community can sustain their life . last year lokal.panen reached about 2000 ton. It is hard to find the appropriate and effective alternative livelihood without this agricultural land.
5. 1500 farm workers, including tenants and wage-based workers, will also lose their jobs.As we have found the case of Phase 1 project, the Phase 2 project would increase not only the number of unemployment but also the crime rate at the local level. If the project is pushed through, the local peasants would be forced to do the job that they do not have expertise in, such as constructing buildings or even they will need to move to the big city to become a bum.
6. The impact on fishermen, since the establishment of the power plant, fishermen fishing area is limited, the number of fish diminishing even some are no longer met, this led to their income decreases. On the other hand, the boats and nets they sometimes damaged by being hit by barge or hit by a ship's anchor.
7. Another thing we need to say is that like most of the other government projects, the practice of manipulation and corruption was significant in the coal-fired power plant projects in Indramayu. It can be seen how the government (PT PLN) through district governments promised something in return or something besides compensation and CSR. Corruption is very vulnerable at every stage of land acquisition, the selection of the prime contractor, the procurement of goods and services as well as the licensing process. Corruption cases that have been tried were found in the case of Phase 1 project in Sumuradem village, Sukra, Indramayu. (Please see the attached decision on the corruption cases related to land acquisition for the Phase 1 in Sumuradem village).

We believe that the above-mentioned points are clearly violating against many provisions of JICA's Guidelines for Environmental and Social Considerations.

Therefore, we call on your agency to cancel and not to consider any additional fund request by the government of Indonesia for the Indramayu coal-fired power plants Phase 2 project.

We appreciate your kind attention on this matter in advance and look forward to your response.

Your sincerely,

(JATAYU's two Coordinators' signatures)