

(This is a translation by WALHI West Java - The original document was written in Indonesian.)

January 07, 2020

To:

Mr. MAEDA Tadashi

Governor, Japan Bank for International Cooperation (JBIC)

**Request the Immediate Stop of JBIC's Loan Disbursement
and Opinion about the Meeting with JBIC
regarding the Cirebon Coal-fired Power Plant Project in West Java, Indonesia**

We, Rapel (Rakyat Penyelamat Lingkungan: People Environment Safer) Cirebon, are writing to you to tell our view as we have learned from WALHI West Java and Friends of the Earth Japan that your bank would still like to have a meeting with us.

Before we describe our opinion about the meeting, first of all, we call on your bank to make a wise and immediate decision to stop your loan disbursement for the ongoing construction of Cirebon Coal-fired Power Plant - Unit 2 (Cirebon 2, 1,000 MW). This has been our continuous demand, in fact, because we have been strongly opposing Cirebon 2. But now that a bribery case related to Cirebon 2 has been exposed in public, we believe more and more that your bank must stop any support for Cirebon 2.

As you have already heard, since April 2019, there have been allegations of bribery that Hyundai Engineering and Construction Co., Ltd. (HDEC), one of the EPC contractors for Cirebon 2, provided a large amount of illegal money to the former Cirebon Regent. The Indonesian Corruption Eradication Commission (KPK) announced the former Cirebon Regent as a suspect of money laundering last October 2019, including bribery related to Cirebon 2. And then, KPK has announced Herry Jung, a former General Manager of HDEC, as a suspect of the same bribery related to the permission for Cirebon 2 on November 15, 2019. Currently, two former senior managements of PT. CEPR, including Heru Dewanto, a former president director, are also prohibited to travel abroad.

Besides, the illegal money flow from HDEC to the former Cirebon Regent is clearly described in details in the verdict document (May 22, 2019) of another bribery case where the former Cirebon Regent was convicted. Has either PT. CEPR or HDEC explained with any firm evidence that the contents written in the verdict was not true? If not, your bank must take it seriously and must not disburse any more loan for Cirebon 2, even though KPK is still under investigation but hasn't yet prosecute the suspects. Your bank must be accountable for your own decision to continue the support for such project where some firm evidences on corruption have been already raised. It should be also a matter of your bank's reputation.

Regarding the meeting with your bank, we could meet your staffs, if it happens in Jakarta and your staffs don't convince us to accept the project and the CSR programs that PT. CEP/CEPR provides.

If ever the meeting takes place nearby the coal-fired power plant project site or in Cirebon city, it is impossible that the venue of the meeting would not be known by PT. CEP/CEPR. We don't want such possibility that the venue would become under surveillance of the project company.

In addition, because of our experience in the previous meeting with your bank in October 2017, we are afraid that your staffs would just suggest the CSR programs again. As we have reiterated, the CSR programs are not the right solution for us. What our community needs is clean air and clean water for our life, and more specifically, healthy coastal environment for fishing activity.

If the meeting between us occurs, our demand is still to stop the construction of Cirebon 2, and thus, our request to your bank is to stop the loan disbursement for Cirebon 2. We would like to tell you how our community has been suffering from severe adverse impacts by Cirebon 1 on health and livelihoods, including small-scale fishery and salt making, and how the current construction of Cirebon 2 has already disturbed our community and has already made small-scale fishermen's life more difficult. Besides, the project company claims that this project can bring positive impact of employment opened for the local community. But in reality, new social conflict has been occurring. Just recently, or more precisely in the end of November 2019, the community from two villages was also fighting each other in the project site due to fighting over their job opportunity.¹ Actually, such conflict has already started to happen since the construction of Cirebon 1 began. In the short term, the problem caused by such conflict seems to be solved. But in the long term, it is not. It will result in a new problem, or revenge feeling among the community which has been affecting community's social culture pattern. Your bank as well as the project company must take responsibility for the destruction of our environment and social culture.

We expect that your bank considers how our local community has been facing with the difficulty in daily life due to the dirty corrupted project, where the local politicians as well as the big companies are making huge profits.

Thank you very much for your kind understandings and consideration in advance.

(Signified by two leaders of Rapel Cirebon)

Cc:

Mr. ASO Taro, Minister of Finance

Mr. Mr. TOYONAGA Shinsuke and Mr. HOSHINO Kazuaki, Examiners for Environmental Guidelines, JBIC

¹ <https://jabar.pojoksatu.id/cirebon/2019/11/30/dugaan-penyebab-terjadinya-tawuran-di-pltu-ii-cirebon-terkait-penerimaan-pekerja-baru/>