

Civil Society Concerns & Rejection of the ADB's Dangerously Flawed Assessment of Indonesia's Energy Sector (PLN), Lack of Meaningful Consultations, and Proposed use of Country Systems for Indonesia's Energy Sector

Jakarta, 14 January 2018

Executive Directors and Shareholders of the ADB
Management of the ADB
Shareholders of other International Financial Institutions
In Manila, The Philippines
And Shareholder Countries

Enclosed please find statements and demands endorsed by 111 civil society organizations in 31 countries and regions, including a wide range of Indonesian organizations working with communities to encourage and ensure that Indonesia's development process embodies ecological justice, social justice, gender equality and respect for human rights for all Indonesians, as well as their international supporters.

The 111 organizations urge you to consider the deep concerns expressed in the enclosed documents about the ADB's efforts to replace ADB environmental and social safeguard requirements, developed with significant public input over years of consultations on the use of these international public funds, with those of Indonesia's borrower system which does not provide protections equivalent to those required by the ADB, including the requirement for 120 day public notice and meaningful consultation on projects with significant environmental and social impacts, the requirement to pay special attention to impacts on the vulnerable, women, those without title to land, to avoid forced resettlement wherever possible, to ensure that, should compensation be needed, land for land compensation is prioritized and all compensation is received directly by those impacted prior to any form of resettlement and to ensure that all safeguards apply to financial intermediaries.

Specific concerns are raised about Indonesia's notorious National Energy Company (PLN), which has a long track record of environmental destruction, human rights violations and has plans to develop more than 40 coal-fired power plants.

The ADB's entire CSS assessment process in Indonesia involved multiple violations of ADB safeguards and is of deep concern given that the outcome of this flawed process is likely to be used by other international institutions such as the World Bank, the Asian Infrastructure Investment Bank, and others, leading to a "race to the bottom" and a failure to protect affected communities and the environment from the impacts of such internationally funded projects.

The enclosed documents detail numerous violations of ADB Safeguard requirements and provide a detailed analysis of Indonesia's legal system (country system), calling into serious question the ADB's conclusion of using CSS in Indonesia's entire energy sector (and proposed for the water sector). Indonesian groups previously submitted detailed analyses in Bahasa Indonesia to the Jakarta Resident Mission in April 2017 but no meaningful response was received.

Enclosed please find detailed NGO analyses, including matrices comparing Indonesian resettlement and environment laws and their implementation track record with ADB Safeguards requirements. We note that this assessment is required under ADB regulations. Enclosed also is documentation of detailed demands.

We look forward to receiving your response to these important concerns. The outcome of the ADB's CSS assessment is likely to have an enormous impact on project-affected people, those forcibly resettled, as well as Indonesia's environment over decades to come.

Thank you for your consideration.

Sincerely,

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