

Prime Minister Shinzo Abe

Japan Bank for International Cooperation Governor Hiroshi Okuda

**We request you to suspend financing of the
Coal fired power plant in Batang, Indonesia**

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The construction project of the largest coal fired power plant in Indonesia is currently under way in the province of Central Java. Japanese businesses, Itochu and Electric Power Development, are involved in the project and it is a private-public joint scheme financed by the Japan Bank for International Cooperation (JBIC) and private banks.

The planned power plant is said to be a technology transfer of a highly efficient technology; however, even the most efficient coal fired plants emit large amounts of greenhouse gas over a long period of time once they are constructed. Moreover, as written in the letter from local residents to Prime Minister Abe, the fertile land and nearby fishing grounds of the residents are threatened by the development, and the residents are fearful of the environmental pollution (attached). The local opposition is fierce, and the land acquisition for the project is behind schedule.

During the press release of the “Growth Strategy Phase 3” on June 5th, 2013, Prime Minister Abe stated, “The demand for cheap coal is rising worldwide. The key contribution to worldwide development and measures to fight climate change will be through highly efficient coal power generation... We will further advance Japanese coal fired power technology and spread throughout the world. To make this happen, new construction plans for coal fired plants will be permitted if it uses the best available technology in Japan. The implementation of environmental assessments will be reexamined,” making it clear that coal will be endorsed domestically and internationally.

However, the situation in Indonesia is that of Japan pursuing growth at the expense of another country’s environmental destruction.

Currently, the world is moving in the opposite direction. The “Climate Action Plan,” which President Obama announced in June, explicitly indicates a strategy to end public

financing of coal power plant projects, urging other countries to take similar measures. Following the policy, the World Bank and the European Investment Bank each also adopted a new energy policy, in which finance to coal is basically terminated and the emphasis is on sustainable energy projects.

In response to these movements, the Export Import Bank of the United States announced that it will withdraw funding for a coal fired power plant in Vietnam.

The world is beginning to recognize coal's serious effects on climate change, and the momentum to limit the construction of new coal fired power plants is growing. Japanese policies clash with this trend, revealing Japan's lack of concern about climate change.

Even the most technologically advanced coal fired power plants emit large amounts of CO₂. A power plant built from now on will continue to operate past 2050, when major reduction of greenhouse gas emission is required. Not only would it destroy the environment and livelihood of nearby residents now, but it may also bring about huge costs to the future of Indonesia. Investment to energy infrastructure should take into account the true and long-term costs, and promote sustainable development in developing countries.

Based on the above reasons, we request the Japanese government to listen to the voices of the Indonesian people and reconsider Batang coal power plant construction project, and we ask businesses, JBIC, and private banks who are involved in the project to suspend financing of the project.

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