POWERED BY DEBT

Lessons from using the Asian Development Bank Accountability Mechanism to address the impacts of the Jawa-1 CCGT Power Project



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CONTEXT

Indonesia’s 35,000 MW program accelerated development—and raised the stakes for accountability

35,000

MW of planned capacity

Official objectives: meet growing electricity demand, expand installed capacity, and attract private investment.

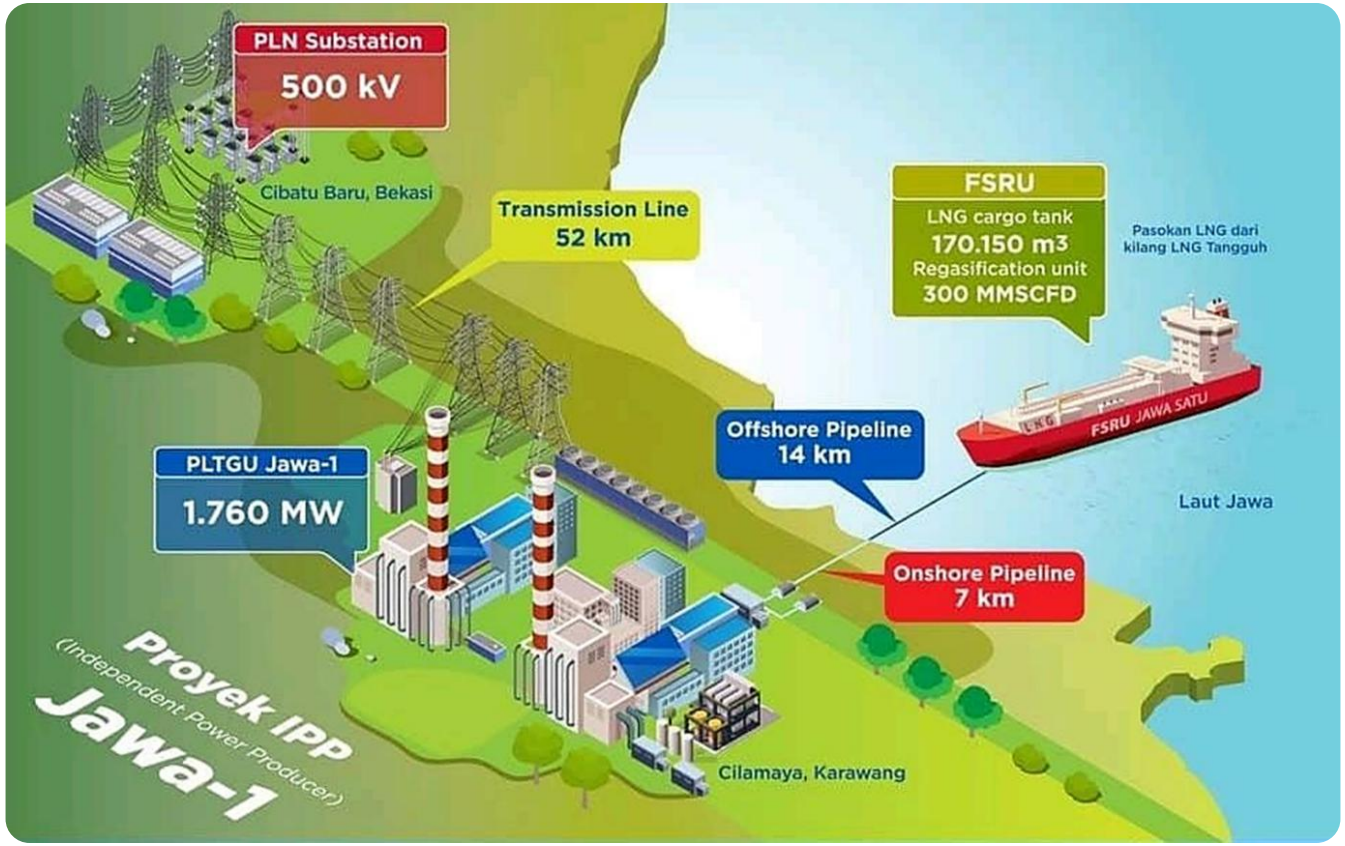
Delivery model: approximately 25,000 MW through private IPPs and 10,000 MW through PLN.

Geographic focus: projects were concentrated in Java–Bali and Sumatra.

Core question: who bears the social and environmental risks when projects are accelerated?

PROJECT

Jawa-1 links a power plant, an FSRU, an offshore gas pipeline, and a transmission network



1.760 MW

CCGT capacity

14 km

offshore gas pipeline

52 km

transmission network

Natural gas remains a fossil fuel—not renewable energy.

Jawa-1 was built through a network of public and commercial finance

Rp26 trillion

estimated project cost
≈ USD 1.8 billion

Financing institutions

- Asian Development Bank (ADB)
- Japan Bank for International Cooperation (JBIC)
- Nippon Export and Investment Insurance (NEXI)
- Mizuho, MUFG, OCBC, Crédit Agricole, and Société Générale

Financing creates responsibilities for due diligence and access to remedy for affected communities.

ADB financing

Proposed facility

USD 250 million

ADB loan

+ USD 150 million

LEAP cofinancing (up to)

First drawdown, 2019

USD 185 million

ADB direct loan

+ USD 120 million

LEAP parallel loan

PROJECT AT A GLANCE

1. Basic Data — **Project Number:** 51112-001

Project Name	Jawa-1 Liquefied Natural Gas-to-Power Project	**Department /Division**	PSOD/PSIF2
Country	Indonesia		
Borrower	PT. Jawa Satu Power		

2. Sector	**Subsector(s)**	**Financing ($ million)**
✓ Energy	Conventional energy generation	250.00
	Total	**250.00**

3. Strategic Agenda	**Subcomponents**	**Climate Change Information**	
Inclusive economic growth (IEG)	Pillar 2: Access to economic opportunities, including jobs, made more inclusive	CO_2 reduction (tons per annum)	1,770,000
		Climate Change impact on the Project	Low

4. Drivers of Change	**Components**	**Gender Equity and Mainstreaming**	
Partnerships (PAR)	Commercial cofinancing Official cofinancing Private Sector	Some gender elements (SGE)	✓
Private sector development (PSD)	Promotion of private sector investment		

5. Poverty and SDG Targeting		**Location Impact**	
Geographic Targeting	No	Rural	High
Household Targeting	No	Urban	Medium
SDG Targeting	Yes		
SDG Goals	SDG7		

6. Nonsovereign Operation Risk Rating

Obligor Name	Final Project Rating	Facility Risk Rating
PT. Jawa Satu Power		

7. Safeguard Categorization **Environment:** A **Involuntary Resettlement:** B **Indigenous Peoples:** C

8. Financing

Modality and Sources	Amount ($ million)
ADB	**250.00**
Nonsovereign LIBOR Based Loan (Regular Loan): Ordinary capital resources	250.00
Cofinancing	**150.00**
Leading Asia's Private Infrastructure Fund (LEAP) (Full ADB Administration)	150.00
Others	0.00
Others [a]	**1,012.90**
Total	**1,412.90**

IMPACTS REPORTED BY COMMUNITIES

The sea, livelihoods, agriculture, water, homes, health—and compounded impacts on women.

Community testimony is the starting point for investigation—not a substitute for an independent technical assessment.



Reported changes in the marine ecosystem are undermining fishing livelihoods



- Sedimentation at the river mouth and increased seawater turbidity
- Declining catches and changes in fishing grounds
- The decline in the quality of marine ecosystems and biota resulting from the discharge of used cooling water (thermal effluent) from combined-cycle power plants
- Rising operating costs for fishing trips
- Economic pressure that drives impoverishment

Source: testimony and documentation from affected communities.

The offshore pipeline increases the risk of damage to fishing gear



Nets snag on the pipeline

Fishers report that protruding bolts and pipe joints in fishing grounds cause nets to snag and tear.

The result: lost fishing time, higher repair costs, and lower household income.

The loss of safety at sea is a real impact on fishers

“We cannot relax. We cannot sleep after returning from the sea.”

Fishers report having to remain alert to the offshore pipeline’s location, especially before daylight. Damage to or the sinking of a boat poses a direct threat to their safety and livelihoods.



Narrowed irrigation channels reportedly increase the risk of flooding and crop failure



- The access road to the jetty has narrowed irrigation channels.
- Reduced channel capacity causes floodwater to recede more slowly.
- Submerged rice plants may fail to grow or may rot.
- Farmers also report dust settling on rice flowers.

Attribution: testimony from affected farmers.

Noise, cracked homes, and declining groundwater extend the impacts into daily life

01	**Noise and health**	Residents report explosion-like sounds at night, sleep disruption, and anxiety—especially among children, older persons, and people who are ill.
02	**Cracked homes**	Some homes reportedly developed cracks. Not all residents received repairs, and some considered the repairs inadequate.
03	**Declining groundwater**	Household pumps reportedly can no longer draw shallow groundwater; the company denies a link to the project.

Project impacts are not gender-neutral

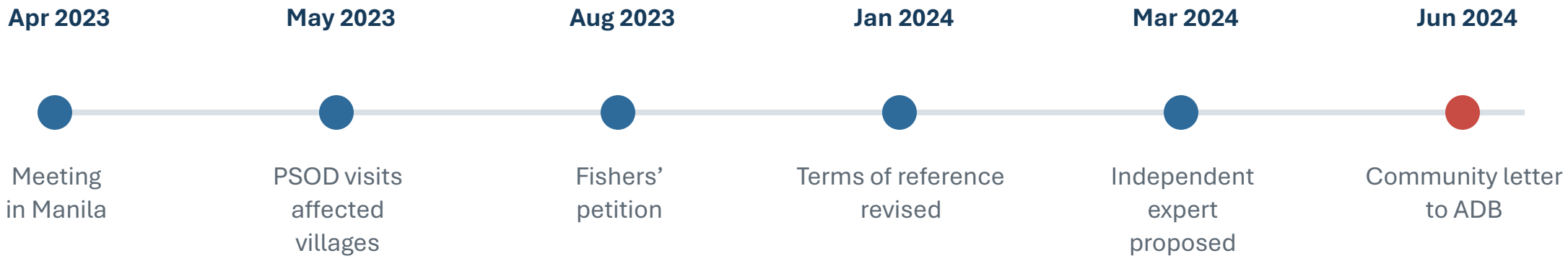
Declining income

increases women's economic burden and can intensify tensions within the household.

Debt → migration

- Water scarcity increases women's unpaid care and domestic work.
- Household debt can push women to migrate for work.
- Migration brings risks of exploitation, violence, and family separation.
- Women's voices may be excluded from consultations and complaint processes.

PSOD's renewed assessment stalled without a clear outcome



More than a year of communication produced no independent assessment of environmental and social impacts. The process stopped without an adequate explanation to communities.

ADB's Accountability Mechanism provides two pathways when project-level efforts fail



Problem solving

Facilitated by the Special Project Facilitator with support from OSPF; focused on dialogue and solutions agreed by the parties.

Compliance review

Conducted by the CRP with support from OCRP; assesses whether ADB complied with its operational policies and procedures.

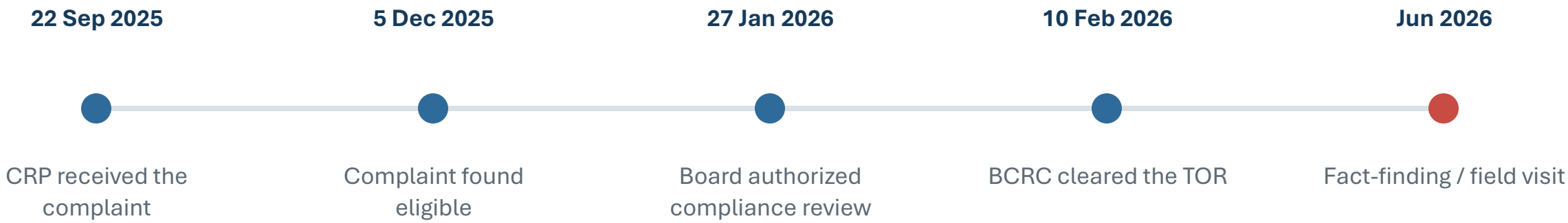
Communities turned to this mechanism after project-level efforts through PSOD failed to resolve their concerns.

The problem-solving process was brief before communities shifted to compliance review

Mar 2025	A complaint was submitted and a field mission requested.
Apr 2025	The Complaint Receiving Officer forwarded the complaint to OSPF.
May 2025	KPPII prepared for field verification in Cilamaya.
Jun 2025	The OSPF team conducted field verification.
Aug 2025	An independent assessment and dialogue were expected to take considerable time.
18 Sep 2025	Communities withdrew from problem solving and requested compliance review.

PATHWAY 2 · CRP

ADB’s Board approved the compliance review; the review remains ongoing



OFFICIAL STATUS: CONDUCTING COMPLIANCE REVIEW — ONGOING

KEY LESSONS

The mechanisms exist, but access to remedy remains exhausting and unequal

01 Long delays weaken participation

Gaps between complaints and follow-up increase community fatigue.

02 Problem solving depends on the parties

Facilitated outcomes do not always carry external legal force.

03 Compliance review offers an institutional pathway

CRP recommendations proceed through Board decisions and can be monitored.

04 Support organizations bridge power imbalances

Language, information, and technical capacity shape communities' ability to persist.

Strong advocacy begins before a complaint is filed

- Build a shared strategy across affected community groups.
- Document impacts systematically, with disaggregated and dated records.
- Record impacts on women, children, older persons, and persons with disabilities.
- Engage organizations familiar with international financial institutions.
- Keep every written communication with ADB and project companies.

Development finance must carry responsibility to prevent harm and restore community rights.

Documentation • Solidarity • Accountability