

ADB'S LEGACY OF HARM & FOSSIL FUEL DEPENDENCE IN INDONESIA

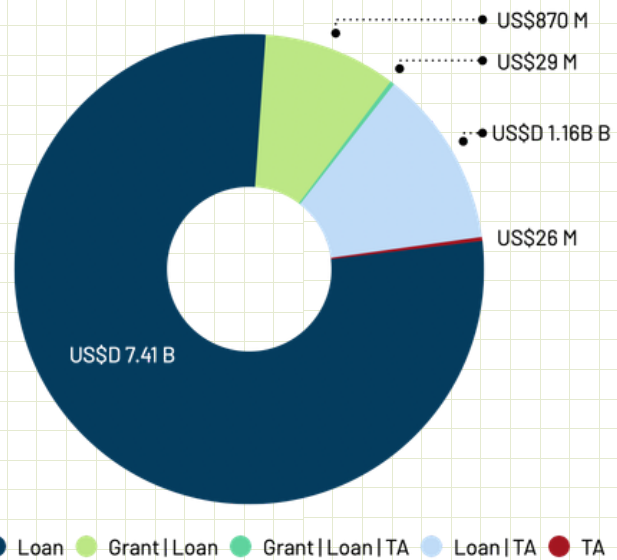
HOW ADB LOCKED INDONESIA INTO COAL, GAS, & CORPORATE-CONTROLLED ENERGY

In 2024, fossil fuels still generated 82% of Indonesia's electricity, while clean energy accounted for only 18%.

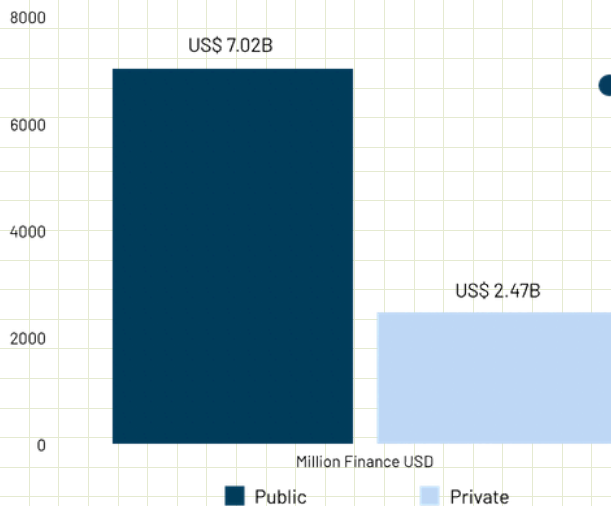
Critics say this contradiction did not happen by accident.

For decades, the Asian Development Bank (ADB) has financed and shaped Indonesia's energy system – funding coal expansion, supporting fossil gas infrastructure, and promoting large-scale geothermal projects that many communities say have caused displacement, pollution, and environmental harm.

ADB Financing in Indonesia's Energy Sector



Public Debt, Private Gain?



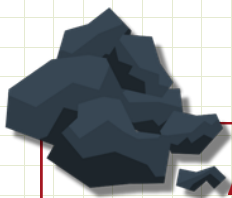
ADB FINANCING IS OVERWHELMINGLY DEBT-DRIVEN



ADB FINANCING REFLECTS DECADES OF FOSSIL FUEL EXPANSION



LARGE-SCALE FINANCING DID NOT TRANSLATE INTO ENERGY JUSTICE FOR AFFECTED COMMUNITIES



ADB AND INDONESIA'S COAL EXPANSION

The ADB has financed Indonesia's coal sector since the 1980s, including the expansion of the Suralaya Power Station in Banten Province – now the largest coal complex in Southeast Asia, with more than 4,000 megawatts of generating capacity across eight operational units. Communities living near Suralaya say the impacts have been devastating, reporting worsening respiratory illnesses, declining fish stocks, damaged farmland, and displacement linked to pollution from the coal plants. Studies estimate that pollution from Suralaya and nearby coal facilities contributes to approximately 2,500 deaths each year.

Despite presenting itself as a supporter of clean energy transition, the ADB continued backing Indonesia's fossil fuel sector decades later. In 2021, the Bank approved a USD 600 million loan to Indonesia's state utility PLN, marketed as support for "clean energy." However, investigations by civil society groups found the loan contained no restrictions preventing funds from supporting coal expansion. At the time, PLN's business plan still included new coal projects such as Java 9 and Java 10, which would further expand the Suralaya coal complex. Critics argued that the loan enabled continued coal development while allowing the ADB to publicly position itself as advancing energy transition.

ADB'S EXPANDING GEOTHERMAL PORTFOLIO IN INDONESIA

ADB has positioned geothermal energy as a centerpiece of its clean energy strategy in Indonesia – financing both active and proposed geothermal projects across the country.

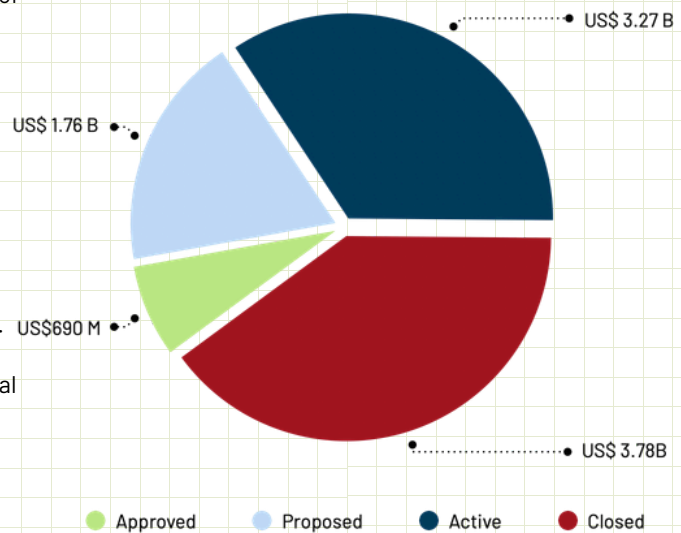
Major ADB-backed projects include -

- Sarulla Geothermal Project (North Sumatra)
- Dieng Geothermal Expansion (Central Java)
- Muara Laboh Expansion (West Sumatra)

Indonesia holds around 40% of the world's geothermal potential, making it a major target for energy investment. But communities affected by these projects say the transition has come with serious social and environmental costs.

Residents in the Dieng Plateau report inadequate consultation and unresolved harms from earlier geothermal operations, while Indigenous communities across Indonesia warn that geothermal expansion threatens ancestral lands and forests without free, prior, and informed consent.

Closed Projects, Lasting Consequences



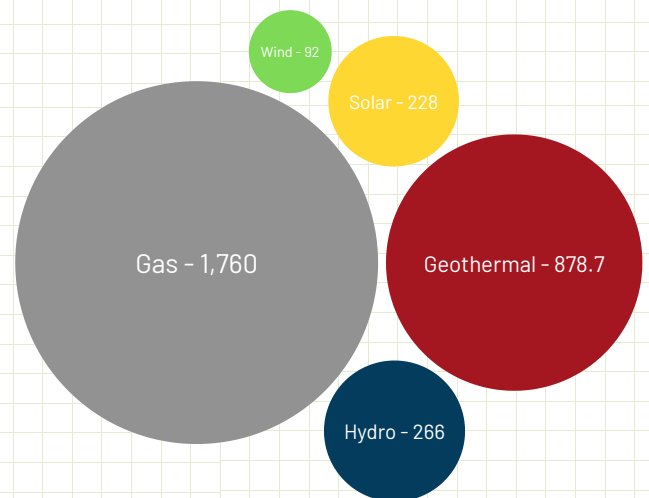
FOSSIL GAS AND THE FAILED ENERGY TRANSITION

Beyond coal, the ADB has heavily invested in fossil gas in Indonesia, promoting it as a "transition fuel." Since 2005, the Bank has committed around USD 750 million to the Tangguh LNG Project in West Papua and another USD 305 million for the Jawa-1 Gas Power Plant, Indonesia's largest gas-fired facility. Critics say these projects extend fossil fuel dependence while being marketed as "low-carbon" solutions.

Similar concerns surround the ADB's Energy Transition Mechanism (ETM). In 2022, the ADB announced plans to retire the Cirebon-1 coal plant early through blended finance. But by 2025, the Indonesian government abandoned the early retirement plan and allowed the plant to continue operating until the end of its technical life.

Civil society groups say the failed ETM pilot exposed deeper problems in the ADB's transition model, including weak transparency, poor community consultation, and financing structures that prioritize corporate interests over affected communities.

ADB Energy Investments by Power Capacity (MW)



WHAT COMMUNITIES ARE DEMANDING FROM ADB

Communities and civil society groups across Indonesia are demanding that the ADB -

- End financing for coal, fossil gas, and harmful geothermal projects.
- Address decades of pollution, land loss, and health impacts on affected communities.
- Recognize that a "just transition" is impossible without community consent.
- Ensure accountability and reparations for affected communities.
- Promote transparent and inclusive decision-making.
- Guarantee meaningful consultation with Indigenous Peoples and local communities.