



# FINANCING TO DELAY

Financial Institutions, Corporations, and  
Individuals Potentially Hindering a Just  
Clean Energy Transition

2024

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Individuals Potentially Hindering a Just Clean  
Energy Transition



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# Key Findings

01

Between 2020–2023, at least **IDR 163 trillion** (IDR 163,930,132,583,916) was disbursed by financial institutions (in the form of project loans, corporate loans, and syndicated loans) to support coal-related industrial activities in Indonesia. The actual figure is highly likely much higher. One of the reasons is that these figures only refer to the annual reports of the 6 (six) largest coal corporate groups in Indonesia.

02

Bank Mandiri is the financial institution that ranks first as the largest provider of funds to coal-related industries. Through loan records in the annual reports of six coal corporate groups alone, between 2020 and 2023, this state-owned enterprise (SOE) disbursed at least **IDR 66 trillion** (IDR 66,928,644,252,330). The actual figure is very likely to be higher. One of the reasons is that this figure does not account for syndicated loans from Bank Mandiri.

03

Bank Rakyat Indonesia (BRI), and Indonesian SOE, ranked second as the largest provider of funds to coal-related industries. Through loan records in the annual reports of 6 (six) coal corporate groups alone, between 2020 and 2023, BRI disbursed at least **IDR 23 trillion** (IDR 23,416,686,915,210). The actual figure is highly likely much higher. One of the reasons is that this figure does not account for syndicated loans from BRI.

04

Of the 6 (six) coal companies investigated in this report, PT Dian Swaistika Sentosa (DSSA)—part of Sinar Mas, is the coal company that received the largest total amount of money from financial institutions. Based on DSSA’s annual report for the 2020–2022 period alone, DSSA received at least **IDR 63 trillion** in loans (IDR 63,458,619,187,570) (including in the form of syndicated loans).

05

Behind the Indonesian coal industry are not only the wealthiest individuals—those in the top 1% who control 30% of Indonesia’s total wealth—but also oligarchic groups. Moreover, some individuals carry risks due to their status as politically exposed persons or because they were listed in Offshore Leaks. Names recorded in Offshore Leaks are generally those affiliated with companies in tax haven countries. This report found that, from just 7 (seven) coal companies, there are at least 89 politically exposed persons and at least 45 individuals whose names have been listed in Offshore Leaks.

06

A just clean energy transition in Indonesia is seriously threatened to not be achieved in a short period of time. This is because the established political, legal, and economic ecosystem tends to favor the interests of the coal industry alone. There are strong indications that regulatory capture has occurred in the energy sector. This has resulted in widespread greenwashing practices and delays in concrete climate action (climate delay) by the government and the private sector.



# Introduction

The Earth is facing a climate crisis that continues to worsen. Since 1880, the Earth's temperature has increased by an average of 0.08°C per decade, with 2022 being the sixth warmest year on record, according to temperature data from the United States National Oceanic and Atmospheric Administration. This situation suggests that our civilization may be heading towards the Sixth Mass Extinction<sup>1</sup>. In line with the United Nations International Panel on Climate Change (IPCC) report in 2019, an increase in earth's temperature heading close to 1.5°C will have an apocalyptic impact, starting from the loss of biodiversity, the loss of islands and coastal cities due to rising sea levels, deadly extreme heat, to food and water shortages<sup>2</sup>. All these will force people to flee and potentially become climate refugees – a phenomenon that has become a reality for some countries, one of which is Pakistan<sup>3</sup>. In fact, as a response to how temperatures around the world have reached the hottest record of all time in 2023, the Secretary General of the United Nations (UN) António Guterres declared that the earth is no longer

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1 NOAA National Centers for Environmental Information, "Monthly Global Climate Report for Annual 2022," Januari 2023, accessed June 15 2023 from <https://www.ncei.noaa.gov/access/monitoring/monthly-report/global/202213>.

2 Intergovernmental Panel on Climate Change, *Global warming of 1.5°C: An IPCC Special Report on the impacts of global warming of 1.5°C above pre-industrial levels and related global greenhouse gas emission pathways, in the context of strengthening the global response to the threat of climate change, sustainable development, and efforts to eradicate poverty*, 2019, Cambridge: Cambridge University Press.

3 Nurayn Khan, "The Burden of Climate Injustice: The Catastrophic Floods in Pakistan," Februari 2023, accessed June 15 2023 from <https://harvardpolitics.com/climate-injustice-pakistan/#:~:text=Pakistan%20is%20facing%20its%20worst,to%20their%20annihilated%20home%20areas>.

in the era of global warming, but has entered the era of “global boiling”<sup>4</sup>.

The issues above did not arise from a void or are “natural” phenomena. On the contrary, climate and ecological damage, as well as the worrying concentration of the greenhouse gas CO<sub>2</sub> in the atmosphere, which has increased by 45% since the Industrial Revolution, is a direct impact of extractive patterns that are rooted in the activities of industries that intensively burn fossil fuels to produce electricity<sup>5</sup>. These activities simultaneously rob the earth of important “carbon sinks” by deforestation<sup>6</sup>.

The energy sector is the largest emitter compared to other sectors and is responsible for around 40% of total global CO<sub>2</sub> emissions related to energy.<sup>7</sup> In 2023, emissions from the global energy sector increased by 1% from 2022 and reached a record high of 14.153 million tonnes of CO<sub>2</sub><sup>8</sup>. According to Ember, a think tank that focuses on energy transition issues, the top ten CO<sub>2</sub> emitters responsible for producing 80% of global emissions from the energy sector are The People’s Republic of China, the United States, India, the European Union, Japan, Russia, Korea South, Saudi Arabia, **Indonesia**, and Iran<sup>9</sup>.

More specifically, coal-fired power plants are one of the largest contributors to emissions. In Asia alone, coal-fired power plants contribute 7.62 Gt of the 8.26 Gt total emissions<sup>10</sup>. In turn, this dirtiest energy source is a major contributor to accelerating the climate crisis on the planet.

Indonesia is one of the largest coal-producing countries in the world<sup>11</sup>. In 2022 alone, Indonesia’s operating coal capacity increased by 3% from 39.4 GW to 40.6 GW (a 60% increase from 2015 which was 25.4 GW)<sup>12</sup>. Furthermore, referring to the 2021–2030 Electricity Supply Business Plan (*Rencana Usaha Penyediaan Tenaga Listrik-RUPTL*), Indonesia plans to expand coal-fired power plants to achieve a total of 40.6 GW of additional capacity by 2030<sup>13</sup>. 13.8 GW of the capacity for these power plants will be

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4 United Nations, “Hottest July ever signals ‘era of global boiling has arrived’ says UN chief”, accessed June 15 2023 from <https://news.un.org/en/story/2023/07/1139162>.

5 Extinction Rebellion, “Why We Rebel?”, accessed June 15 2023 from <https://rebellion.global/why-rebel/>.

6 *Ibid.*

7 Ember, *Global Electricity Review 2023*, April 2023, United Kingdom: Ember, page 68.

8 Ember, *Global Electricity Review 2024*, Mei 2024, United Kingdom: Ember, page 66.

9 Ember, *Global Electricity Review 2023*, Loc.Cit.

10 Ven Venkatachalam, “Global emissions from coal plants: Coal remains the primary fuel for global electricity generation, particularly in Asian countries,” *Canadian Energy Centre*, November 28 2023, accessed June 9 2024 from <https://shorturl.at/yVQjI>.

11 International Energy Agency, “Coal Information: Overview,” accessed June 9 2024 from <https://www.iea.org/reports/coal-information-overview/production>.

12 Global Energy Monitor, et.al., “Boom and Bust Coal 2023: Tracking the Global Coal Plant Pipeline,” April 2023, accessed June 15 2023 from <https://globalenergymonitor.org/wp-content/uploads/2023/03/Boom-Bust-Coal-2023.pdf>, page 31.

13 Centre for Research on Energy and Clean Air dan Global Energy Monitor, “Emerging captive coal power: Dark clouds on Indonesia’s clean energy horizon,” September 2023, accessed June 9 2024 from [https://globalenergymonitor.org/wp-content/uploads/2023/09/CREA\\_GEM\\_Indonesia-Captive\\_2023.pdf](https://globalenergymonitor.org/wp-content/uploads/2023/09/CREA_GEM_Indonesia-Captive_2023.pdf), page 2.



sourced from coal<sup>14</sup>. As of July 2023, an expansion of 14.4 GW of new coal-fired power plant capacity has been proposed for industrial electricity needs alone (captive use or off-grid).

Sadly, the above facts are clearly at odds with some international commitments such as the Paris Agreement to the United Nations Framework Convention on Climate Change ("Paris Agreement") which was adopted by 196 countries-including Indonesia-in 2015 or the recommendations from the IPCC report in 2018. That is, to limit the rise in global average temperature to below 2°C above the pre-industrial level, and continue the efforts to suppress the rising temperature to 1.5°C above the pre-industrial level, coal-fired electricity plants need to be reduced by 78% before 2030<sup>15</sup>. The International Energy Agency's 2021 report also emphasized that no new coal power plants or coal mines should be developed if the net zero ambition is to be achieved by 2050<sup>16</sup>.

Indonesia remains heavily dependent on coal, despite the complex issues surrounding the industry beyond environmental damage. For example, the issue of transparency; systemic corruption resulting from dirty transactions with public officials who pawn environmental permits; coal oligarchy's hijacking of state control functions (state capture); to conflicts of interest or concurrent positions between public officials or legislators and the extractive sector, which often results in regulatory capture<sup>17</sup>. One of the reasons for this dependence can be seen from the primary energy mix of Indonesia's power plants, the majority of which in 2022 alone (as much as 67.21%) still comes from coal<sup>18</sup>. Ironically, this figure actually increased from 2021, when the primary energy mix for electricity generation from coal was at 66%. Meanwhile, the new renewable energy (*energi baru terbarukan*-EBT) reached 14.11% in 2022.

The reason why the coal industry in Indonesia is still able to thrive despite the frequent massive resistance to its impact on the climate crisis can be linked to support from financial institutions like banks. One form of this contribution is through the significant annual financing they provide. This financing takes various forms, ranging from providing direct credit, to underwriters (guarantors), or buyers of debt securities issued by coal companies<sup>19</sup>. Globally, financing for fossil fuels from the world's 60 largest banks has

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14 *Ibid.*, page iii.

15 Urgewald, "Global Coal Exit List 2022," accessed June 15 2023 from <https://www.coalexit.org/>.

16 International Energy Agency, "Net Zero by 2050: A Roadmap for the Global Energy Sector," October 2021, accessed June 15 2023 from [https://iea.blob.core.windows.net/assets/deebef5d-0c34-4539-9d0c-10b13d840027/NetZeroBy2050-ARoadmapfortheGlobalEnergySector\\_CORR.pdf](https://iea.blob.core.windows.net/assets/deebef5d-0c34-4539-9d0c-10b13d840027/NetZeroBy2050-ARoadmapfortheGlobalEnergySector_CORR.pdf), page 20.

17 "For example, see #BersihkanIndonesia, 'Coalruption: Political Elites in the Coal Business Cycle,' 2018, accessed June 15 2023 from <https://www.jatam.org/wp-content/uploads/2018/12/COALRUPTION.pdf>.

18 Data from the Ministry of Energy and Mineral Resources of the Republic of Indonesia, as cited by Aulia Mutiara Hatia Putri from CNBC Indonesia, in 'EBT Jauh, Pembangkit Listrik RI Masih Didominasi Batu Bara' (Renewable Energy Far Off, RI Power Plants Still Dominated by Coal)." <https://www.cnbcindonesia.com/research/20230523113140-128-439740/ebt-jauh-pembangkit-listrik-ri-masih-didominasi-batu-bara#:~:text=Kementerian%20Energi%20dan%20Sumber%20Daya,67%2C21%25%20pada%202022>.

19 Meidella Syahni, Project Multatuli, 'Sustainable Commitments of Indonesian Banks: Supporting the Environment While Financing Coal,' April 2022, accessed June 15 2023, from <https://projectmultatuli.org/komitmen-berkelanjutan-bank-bank-indonesia-menyokong-lingkungan-hidup-sambil-menafkahi-batubara/>.

reached \$5.5 trillion in the seven years since the implementation of the Paris Agreement, with fossil fuel financing amounting to \$669 billion in 2022 alone<sup>20</sup>.

Based on the 2022 Global Coal Exit List report, it is recorded that there are at least 70 coal companies and 16 national and multinational financial institutions in Indonesia that have financial links to each other. Some well-known Indonesian coal companies are on the list, including PT Bumi Resources Tbk; PT Adaro Energy Indonesia Tbk; PT Indika Energy Tbk; PT Bayan Resources Tbk; PT Sinar Mas; PT Indonesia Asahan Aluminum (Inalum) or what is now known as Mining Industry Indonesia (MIND ID); PT Berau Coal Energy Tbk; PT TBS Energi Utama Tbk; and PT Multi Harapan Utama.

The 16 financial institutions that are shareholders in coal companies which were identified by 350.org and Project Multatuli through the 2022 Global Coal Exit List data are BPJS Ketenagakerjaan, Asia Merchant Bank, TASPEN, Bank Sinar Mas, Interbuat Sempana, Pool Advista, Pan Arcadia Capital, Indo Premier Securities, Bank Mandiri, Millennium Capital Management, Bank Panin, Sucorinvest Inti Investama, Polaris Investama, Prospera Asset Management, MNC Investama, and Syailendra. In the context of the largest financing flow for the coal industry, four national banks are three state-owned banks (SOE) – Mandiri; Bank Negara Indonesia (BNI); Bank Rakyat Indonesia (BRI); and one private bank, Bank Central Asia (BCA) are recorded as playing the role of funder for the dirty coal industry<sup>21</sup>.

Indeed, financings from various financial institutions such as banks into dirty energy business portfolios also makes them actors who contribute to the climate crisis. Moreover, this financial support contradicts the “green commitments” of banks and has great potential to turn these commitments into mere greenwashing<sup>22</sup>. Furthermore, the massive financing of the coal industry in Indonesia at a time when the world community has long been pushing for the abandonment of dirty energy sources can be interpreted as an obstacle to the clean energy transition. All forms of efforts to delay serious actions in the energy transition (which by nature need to be carried out immediately) can be categorized as a form of “climate delay” or “climate delayism”<sup>23</sup>.

To understand further why climate delayism remains prevalent in Indonesia, it is important to use a political economy lens and consider the context of Indonesian democracy, which is heavily influenced by patronage and controlled by a few elite and predatory oligarchs (generally from extractive industries such as coal)<sup>24</sup>. Thus, it is necessary to map the actors

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20 Urgewald, *Loc.Cit.*

21 Meidella Syahni, *Loc.Cit.*

22 Simply put, ‘greenwashing’ generally refers to the practice of manipulation by an entity (typically a corporation) when it makes claims or presents an image of aligning with sustainability standards, while its actual activities are destructive to the environment. See, for example, Marta Pizzetti et al., ‘Firms Talk, Suppliers Walk: Analyzing the Locus of Greenwashing in the Blame Game and Introducing “Vicarious Greenwashing,”’ *Journal of Business Ethics*, December 23, 2019.

23 See, for example, William F. Lamb, et.al., “Discourses of climate delay,” *Global Sustainability*, Vol. 3, 2020, <https://doi.org/10.1017/sus.2020.13>, page 1–2.

24 Ward Berenschot, “The Political Economy Clientelism: A Comparative Study of Indonesia’s Patronage Democracy,” *Comparative Political Studies*, Vol. 51, No. 12, 2018, page 1569–1570.

who are likely to have a vested interest in maintaining Indonesia's dependence on coal, as they have been connected to and benefited from the industry.

Based on the above background, Indonesia Corruption Watch (ICW) together with Trend Asia composed this report titled: ***"Financing to Delay: Financial Institutions, Corporations, and Individuals Potentially Hindering a Just Clean Energy Transition"***.





# Methodology

This report samples 7 (seven) large Indonesian coal companies as the study objects by considering: concession area, production volume, ownership of coal-fired power plants (*pembangkit listrik tenaga uap* – PLTU), and the background of the owners or individuals connected to these companies. The seven companies are PT Adaro Energy Indonesia, PT Bumi Resources, PT Dian Swaistika Sentosa, PT Bayan Resources, PT Indika Energy, PT TBS Energi Utama (formerly Toba Bara Sejahtera), and PT Multi Tambangjaya Utama.

On each of the companies above, this report investigates at least two things: Affiliate chain and financing sources.

In this report, “affiliate chain” refers to companies or individuals who are full or part shareholders, be it directly or indirectly (through other individuals or companies), in any of the seven companies that are the object of study in this report<sup>25</sup>. Here, the individuals’ affiliation can also take the form of director or commissioner positions<sup>26</sup>. On the matter of affiliate chain information, this report refers to primary data sources in the form of company deeds (company profiles) which were acquired from the official website of the Directorate General of General Legal Administration, Ministry of Law and Human Rights of the Republic of Indonesia (*Direktorat Jenderal Administrasi Hukum Umum Kementerian Hukum dan Hak Asasi Manusia Republik*

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<sup>25</sup> In this report, data on share ownership is presented as a percentage by dividing the number of shares held by an individual or company by the total number of shares issued by the referenced company.

<sup>26</sup> When an individual holds a director or commissioner position in a company while simultaneously being a shareholder, this report will only present data related to the individual’s share ownership.

Indonesia) (<https://ahu.go.id/>). The majority of company profiles referred to in this report were accessed in September 2023<sup>27</sup>. Therefore, all information related to companies quoted in this report only represents conditions at the time the profiles were accessed. It is very possible that this report cannot cover the entire profile of the company or its affiliated individuals or that there may be a structure or condition of the company which in reality is different from that depicted in this report<sup>28</sup>. As a complement to primary data sources, this report also utilizes secondary data sources when tracing the affiliate chain by referring to the company's official website and online news.

The following is a breakdown of the total companies and individuals whose affiliate chains are traced in this report:

Group	Affiliated Companies	Individuals
Adaro	11	29
Bumi Resources	22	44
Dian Swastatika Sentosa (Sinar Mas)	23	54
Bayan Resources	13	33
Indika (including Multi Tambang- jaya Utama)	25	48
TBS Energi Utama	8	23
<b>Total</b>	<b>102</b>	<b>231</b>

To trace the financing sources of the seven companies used as study objects, data were obtained from the annual reports of each company for the years 2020–2022<sup>29</sup>. Financial institutions and the total loans provided to each company were identified as recorded in their annual reports from 2020–2022. However, PT Adaro Energy Indonesia's annual

<sup>27</sup> Some company deeds were accessed in months other than September 2023. Detailed information can be found in the 'Appendix' section of this report.

<sup>28</sup> For example, during the investigation of affiliate chains in this report, PT Multi Tambangjaya Utama was still affiliated with PT Indika Energy through indirect share ownership.

<sup>29</sup> As of the writing of this report, not all companies have published their annual reports for 2023. Therefore, the monitoring period in this report ends in 2022.

report is not presented like the other six companies that were the object of study. They do not provide detailed information on the financial institutions that provide loans and the amounts involved. Therefore, this report only refers to total loans from several financial institutions in 2023 for Adaro's aluminum smelter project, based on publicly accessible secondary data sources.

After tracing the affiliate chain and financing sources of the seven companies that were used as study objects, this report aims to attribute accountability to the actors who have been mapped for their commitment to encouraging a just clean energy transition and leaving Indonesia's dependence on the coal industry concretely and quickly. To "collect" responsibility or accountability, this report refers to the concept of group-level responsibility and the deduction of "common control" or corporate "control" developed by Greenpeace<sup>30</sup> from the Accountability Framework<sup>31</sup> of some international environmental defense organizations such as the Meridian Institute and the Rainforest Alliance. The key concepts that this report adopts or refers to are as follows<sup>32</sup>:

### **1. Group-level responsibility:**

Any corporation can potentially be held liable for violations of laws, regulations, or sustainability policies arising from the corporation or any operations under common control, regardless of separate legal ownership structures or trade names; and any sanctions imposed by suppliers, customers, lenders, investors, or certification bodies in response to such violations must be applied to all companies and operations under common control. In short, group-level responsibilities apply: across the group (i.e. to all companies under the same control); in all commodities and sectors involving the group; and for all group company operations globally;

### **2. Corporate group:**

The totality of legal entities affiliated with a corporation, either directly or indirectly, in a network of relationships where one party controls the actions or performance of another party, or which are controlled by the same individual;

### **3. Control:**

The power to ensure that the corporation acts following the wishes of the entity, or the ability to exercise effective influence over the corporation, whether by ownership or by other means—direct or indirect, formal or informal. Control of a corporation can be owned by more than one controlling entity (joint control), for example through a joint venture, or where one group operates plantations owned by another group. "Control" can be exercised in one or more of the following ways:

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30 See Greenpeace, et.al., *"Shining Light on the Shadows: Towards a Uniform Methodology for Establishing Common Corporate Control,"* 2023, page 4–10, accessed from <https://www.greenpeace.org/international/publication/58702/shining-light-on-the-shadows/#comments>.

31 See "Accountability Framework initiative," accessed from <https://accountability-framework.org/about/about-the-accountability-framework-initiative/who-we-are/>.

32 Greenpeace, et.al., Loc.Cit.

- a. Legal ownership:**  
the ownership of a corporation/other asset, or shares in a corporation/asset is officially or formally registered;
- b. Beneficial ownership:**  
the ultimate ownership and/or control over other corporations/assets or the right to obtain financial benefits from such corporations/assets;
- c. Family control:**  
joint control by the family. A situation that occurs when close family relationships exist between the beneficial owners of different companies and those companies are managed by—or for, the benefit of the family;
- d. Management control:**  
the authority/power of a group (or one of its members) to make management decisions for a company;
- e. Operational control:**  
authority/power of the group (or one of its members) to make management decisions for the company;
- f. Financial control:**  
any form of scheme (other than share ownership) in which a group, its controlling entity, or one of its members has invested in or financed a company so that the group can exercise control over the company. Financial control may also be assumed to exist as a result of an agreement where a group or company is the sole purchaser of another company's products through a contract or other binding arrangement, and the producing company is thus financially dependent on the purchasing group or company.

When conducting brief profiling of individuals who have been identified through the method described above, this report identifies four things from each individual, namely<sup>33</sup>:

1

Family affiliation with other individuals in the companies traced in this report<sup>34</sup>;

33 It is very likely that each individual can be identified in more than one category..

34 In this report, 'family affiliation' includes relationships due to both direct and indirect connections. 'Direct relationships' may involve blood relations such as: father, mother, sibling, or cousin. 'Indirect relationships' may involve familial connections arising from legal consequences of marriage, such as: in-laws, children-in-law, or siblings-in-law. Family affiliation is only included in this report if it has been confirmed through more than two credible open sources.

- 2 Whether or not a name identical to the individual who has been recorded in offshore leaks<sup>35</sup>;
- 3 Whether or not the individual has been involved in a legal case<sup>36</sup>; and
- 4 Whether or not the individual can be classified as a politically exposed person (PEP)<sup>37</sup>.

This categorization is carried out to see the potential influence that each individual has in each company and the risks that may arise from the existence of that individual. More specifically, this identification can help gauge the potential of each individual to influence or delay the just energy transition process in Indonesia.

In general, this report also relies on secondary data to carry out analysis. Some of them are scientific articles, online publications from research institutions, or international organizations, as well as credible media reports.

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35 Offshore leaks refer to a database compiled by the International Consortium of Investigative Journalists containing information from 810,000 offshore entities revealed through investigations such as the Pandora Papers, Panama Papers, Paradise Papers, Bahamas Leaks, and Offshore Leaks. Although not necessarily illegal, offshore companies should be viewed with suspicion due to their establishment in tax havens, which often have highly secretive (non-transparent) information regimes. For more information, see <https://offshoreleaks.icij.org/>.

36 In this report, to be categorized as 'Previously Involved in Legal Cases,' an individual must be identified as having been a witness, suspect, defendant, litigant, related party, or convicted in a case handled by law enforcement or a case already adjudicated by the court. Individuals who have been reported to law enforcement, such as the police, also fall into the 'Previously Involved in Legal Cases' category. This includes cases where proceedings have been terminated without a court decision. Individuals who have been summoned for questioning outside of cases handled by law enforcement, such as inquiries by the National Commission on Human Rights, are also categorized as 'Previously Involved in Legal Cases.'

37 To determine whether an individual is categorized as a politically exposed person, this report fully refers to the classifications and standards set by the Financial Action Task Force. For more details, see 'FATF Guidance: Politically Exposed Persons (Recommendations 12 and 22),' June 2013, accessed June 10, 2024, from <https://www.fatf-gafi.org/content/dam/fatf-gafi/guidance/Guidance-PEP-Rec12-22.pdf.coredownload.pdf>.



# The Politics of Dirty Energy Financing



# 01

## Overview of the Coal Company Financing

The dirty energy business in Indonesia can continue to survive with financial support from some financial institutions. The coal industry is generally financed through corporate credit facilities and debt. The largest financing was provided by European and American banks, although banks in Asia also provided significant support. Downstream, coal-fired power plants are mostly financed by long-term project financing.

The latest Urgewald data shows that commercial banks disbursed \$470 billion in debt to the coal industry between January 2021 and December 2023<sup>38</sup>. The majority, 92% of these loans, came from banks in 7 countries: China, the United States, Japan, India, the United Kingdom, and Indonesia. This amount is only 20% less than these countries borrowed in 2016.

In Indonesia, three banks provide the largest financing according to Urgewald's research<sup>39</sup>:

Bank Mandiri	: \$3.1 billion
Bank Negara Indonesia (BNI)	: \$1.4 billion
Bank Rakyat Indonesia (BRI)	: \$1.2 billion

Of these three banks, only BRI has reduced its loan amount since 2016. Meanwhile, the other two have provided loans that have increased drastically until 2023.

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<sup>38</sup> See Urgewald, "Media Briefing: Commercial Banks Still Deep into Coal 8 Years after Paris," 2 Mei 2024, accessed from [https://stillbankingoncoal.org/sites/default/files/download\\_public/Urgewald\\_briefing\\_StillBankingonCoal\\_0.pdf](https://stillbankingoncoal.org/sites/default/files/download_public/Urgewald_briefing_StillBankingonCoal_0.pdf).

<sup>39</sup> *Ibid.*

Table 1: Comparison of Coal Financing from Mandiri, BNI, and BRI in 2016 and 2023<sup>40</sup>

Bank	Coal Financing 2016 (in Million USD)	Coal Financing 2023 (in Million USD)	Net Change
Bank Mandiri	316	1.480	+368%
Bank Negara Indonesia	145	740	+410%
Bank Rakyat Indonesia	1.929	581	-70%

Previously, the 2022 Global Coal Exit List (GCEL), a similar report from dozens of non-governmental organizations in the world, noted that 16 national and multinational financial institutions in Indonesia continued to fund the coal industry in the 2019-2021 period.

These include BPJS Ketenagakerjaan, TASPEN, private banks such as Asia Merchant Bank, Sinar Mas, Panin, and several investment management companies namely Interbuat Sempana, Pool Advista, Pan Arcadia Capital, Indo Premier Securities, Millennium Capital Management, Sucorinvest Inti Investama, Polaris Investama, Prospera Asset Management, MNC Investama and Syailendra.

Another report released by Fair Finance Asia noted that in the 2016-2020 period, financial institutions from Japan were the largest lenders and underwriters for national coal companies<sup>41</sup>. However, in 2020, some banks began to leave the coal industry by joining the Net Zero Banking Alliance. The UN Environment Program Finance Initiative noted that 114 banks in 41 countries with total assets of \$74 trillion or the equivalent of 41% of global bank assets have joined this alliance. They include Sumitomo Mitsui Banking Corporation (SMBC) and Mizuho Bank of Japan; HSBC (UK); CIMB (Malaysia); DBS (Singapore); and ANZ (Australia). All of them are banks that finance the coal business in Indonesia. The Institute for Energy Economics and Financial Analysis (IEEFA) also noted that more than 100 global financial institutions have announced their divestment from the coal industries and coal-fired power plants<sup>42</sup>.

Unfortunately, when foreign banks have started to commit to zero emissions and stopped financing the coal industry, domestic banks are still actively taking on the role of financing coal.

<sup>40</sup> *Ibid.*

<sup>41</sup> Fair Finance Asia, "A Future Without Coal: Banking on Asia's just energy transition," 2021, accessed from <https://www.responsibank.id/media/ox4o33rw/a-future-without-coal-banking-on-asia-s-just-energy-transition.pdf>.

<sup>42</sup> See The Institute for Energy Economics and Financial Analysis, "Coal Divestment," accessed from <https://ieefa.org/coal-divestment-1>.

The results of research by 350.org Indonesia together with the civil society coalition #Bersihkan Bankmu ('#Clean Your Bank') in 2022 found that four national banks: Mandiri, BCA, BRI, and BNI are still providing loans to coal companies in Indonesia. The largest loan was provided by Bank Mandiri coming in at up to \$3.1 billion, followed by BCA's \$170 million, BRI's \$122 million, and BNI's \$53 million. Based on the annual reports of each bank, the research found that since 2015, or in other words since Indonesia adopted the Paris Agreement, until 2022, the total direct loans provided by the four banks reached \$3.5 billion<sup>43</sup>.

The roles of these banks vary. Starting from lenders, book runners, initial buyers of debt securities, controllers, depository, collateral agents, and facility agents. Apart from state-owned banks, there are also some private banks in Indonesia that still finance coal companies. Some of them include Bank Permata, Danamon, DBS Indonesia, Citibank, HSBC Indonesia, Mayapada Internasional, UOB, and Bank Sinarmas<sup>44</sup>.

Apart from the above-mentioned banks, other financial institutions are also still financing coal companies, including J.P. Morgan Chase Bank Hong Kong, The Hongkong and Shanghai Banking Corporation Limited, PT Sarana Multi Infrastruktur (Persero), PT Toyota Astra Financial Services (TAFS), PT Mandiri Tunas Finance, PT Bank Victoria International, Landesbank Baden-Wuerttemberg, Bank Capital Indonesia, Indonesia Exim Bank, ICICI Bank Limited, MUFG Bank, Bank Mega, The Exim Bank of Korea Jakarta, and Bank KEB Hana Indonesia<sup>45</sup>.

Apart from being lenders, the banks above play a role in providing credit facilities, additional financing, short-term debt, working capital financing, additional facilities, export working capital credit facilities, working capital loans, syndicated loans, and credit facility agreements.

Downstream of the coal industry, some financial institutions provide financing for coal-fired power plant expansion, namely Exim Bank of the United States, Exim Bank of Korea, Exim Bank of China, Korea Trade Insurance Corporation, Japan Bank for International Cooperation, China Development Bank, Finnvera, Mizuho Bank of Finland, Bank of China, Korea Development Bank, Nippon Export and Investment Insurance<sup>46</sup>.

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43 See 350.org Indonesia, et.al., "'Stop Burning Our Money!': Laporan Pendanaan Bank Nasional untuk Industri Energi Kotor Batu Bara," accessed from <https://350.org/id/wp-content/uploads/sites/17/2022/08/Stop-Burning-Our-Money-report.pdf>.

44 Referring to data from company financial reports from 2016–2020. It should be noted that after this period, some banks and financial institutions have implemented internal policies to cease coal financing. See Meidella Syahni, Project Multatuli, 'Sustainable Commitments of Indonesian Banks: Supporting the Environment While Financing Coal,' Loc.Cit. Also see 350.org Indonesia et al., 'Stop Burning Our Money!': National Bank Funding Report for the Dirty Coal Energy Industry,' Ibid.

45 Ibid.

46 Recently, Mizuho Bank of Finland and Bank of China have been reported to have policies not to finance coal-fired power plants. See Ibid.

## 02 Just Energy Transition Partnership (JETP)

On November 16 2022, during the G20 Summit in Bali, the Indonesian Government and International Partners Group (IPG) launched the Just Energy Transition Partnership (JETP). IPG represents some countries, including Japan, the United States, Canada, Denmark, the European Union, Germany, France, Norway, Italy, the United Kingdom, and Northern Ireland.

The initial commitment was that these countries would disburse \$20 billion (around IDR 300 trillion) to finance the energy transition in Indonesia towards the zero emissions target by 2060. The financing scheme, \$10 billion from public funds, and the rest from private funds is coordinated by the Glasgow Financial Alliance for Net Zero (GFANZ) consisting of Bank of America, Citi, Deutsche Bank, HBC, Macquire, MUFG, and Standard Chartered.

Three months after the Summit, on February 16 2023, the government established the JETP Secretariat and Working Team, which then developed a Comprehensive Investment and Policy Plan (CIPP). As a “living document”, CIPP has received significant criticism and feedback from various civil society organizations<sup>47</sup>. Some institutions have expressed concerns that the debt financing model, whether in the form of conventional loans and commercial loans, could burden Indonesia’s fiscal space.

An additional portion of the grant should be able to cover the early retirement of coal-fired power plants as part of developed countries’ responsibility towards their historical debt in climate matters. In addition, per the Paris Agreement, developed countries should provide larger grants based on the principle of “common but differentiated responsibilities”.

Non-conventional loans, loans with market-based interest, and more difficult terms than conventional loans, amounting to \$1 billion, also raise questions regarding IPG’s commitment to funding with more affordable financing amidst rising global interest rates. IPG countries should reduce the portion of non-conventional loans. Especially, when the market-based loan repayment rate for local currency for 10 years is 6.83%. Meanwhile, the market yield on 10-year US Treasury securities as a risk-free asset is 4.54%. In other words, with this loan, the Indonesian government will have to pay at least \$68.3 million in annual interest to fund the energy transition.

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<sup>47</sup> See, for example, Aksi Ekologi dan Emansipasi Rakyat (AEER) et al., ‘Strengthening Inclusive, Green, and Effective Energy Transition: Voices from CSOs in Indonesia,’ November 2023, accessed from <https://coaction.id/katalog/penguatan-transisi-energi-yang-inklusif-hijau-dan-efektif-suara-dari-csos-di-indonesia/>.

Considering altogether with the financing trends of the coal industry in Indonesia which are still being supported massively by many financial institutions, the presence of JETP does not help this problem much. In fact, it can be said that JETP has even contributed to disorientation towards the politics of Indonesian energy financing. The chaotic problems presented by JETP tend to help maintain the existence of coal as the dominant energy source in Indonesia. Moreover, as of December 2023, CIPP JETP still has not accommodated the decarbonization scheme for off-grid or captive coal-fired power plant<sup>48</sup>.

## 03 Tinkering the Green Taxonomy & Regulatory Capture Potential

The Indonesian government, as the regulator, has tried to signal the market to gradually stop investing in the dirty energy industry. This signal was addressed through a guideline document issued by the Financial Services Authority (*Otoritas Jasa Keuangan-OJK*) called Indonesia Green Taxonomy (*Taksonomi Indonesia Hijau-THI*)<sup>49</sup>. Although far from perfect, the document can be considered a positive step toward promoting sustainable financing. However, OJK has revised the document recently. In short, the new classification allows for financial support for extractive industries. This practically brings Indonesia to a past era where extractive industries were still encouraged to receive adequate financial support.

OJK published a financial guide called Taxonomy for Indonesian Sustainable Finance (*Taksonomi untuk Keuangan Berkelanjutan Indonesia-TKBI*) in February 2024. This taxonomy can be used by companies to, one of which, seek capital by indicating their business scope in the taxonomy. This taxonomy is also useful for investors to place their money in a way that avoids being perceived as posing environmental risks.

This is the second time the OJK has published a green taxonomy after the first was launched in 2022. This taxonomy includes categories for investments deemed 'green' and those that are not. In this second taxonomy, there are three categories to indicate the scope of investments: *Green*, *Transition*, and *Not Qualified*. This classification differs

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48 Luthfyana Kartika Larasati and Tiza Mafira, Climate Policy Initiative, "Highlights from Indonesia's JETP Comprehensive Investment and Policy Plan," Desember 2023, accessed from <https://www.climatepolicyinitiative.org/highlights-from-indonesias-jetp-comprehensive-investment-and-policy-plan/>.

49 See Otoritas Jasa Keuangan, "Indonesia Green Taxonomy 1.0 Edition - 2022," accessed from <https://ojk.go.id/id/berita-dan-kegiatan/info-terkini/Pages/Taksonomi-Hijau-Indonesia-Edisi-1---2022.aspx>.

from the first taxonomy, which used a ‘traffic light’ system with three categories: *Green*, *Yellow*, and *Red*.

According to OJK, the *Green* category in TKBI refers to activities that align with the commitment to keep the global temperature rise below 1.5°C, in line with the Paris Agreement. This includes considering Indonesia’s Net Zero Emission (NZE) in 2060 (or earlier) and meeting social aspects. Meanwhile, the Transition category includes activities that are not yet in line with the commitment to maintain global temperature rise, and are not yet on the NZE path. However:

- 1 Are moving towards “Green” classification within a certain timeframe;
- 2 Facilitate significant emission reductions in the short or medium term within a certain time limit; or
- 3 Encourage other activities to be sustainable and fulfill social aspects.

Industries that do not meet the two classifications above are included in the Not Qualified category.

Table 2: Green Taxonomy Versions 1.0 and 2.0 Difference Matrix

	Green Taxonomy 1.0	Green Taxonomy 2.0
Name	Indonesia Green Taxonomy	Taxonomy for Indonesian Sustainable Finance
Month & Year Published	January 2022	February 2024
Nature of the Document	Living Document	Living Document

<b>Criteria</b>	<ol style="list-style-type: none"> <li>1. Green: does not cause significant harm, applies minimum protection, has a positive impact on the environment and is aligned with the Taxonomy's environmental objectives;</li> <li>2. Yellow: does not cause significant losses;</li> <li>3. Red: dangerous activities.</li> </ol>	<ol style="list-style-type: none"> <li>1. Green: aligns with the commitment to keep global temperature rise below 1.5°C which, in line with the Paris Agreement including considering Indonesia's Net Zero Emission (NZE) in 2060 (or earlier) and meeting social aspects.</li> <li>2. Yellow/Transition: Activities that currently do not align with the commitment to maintain global temperature rise, are not yet on the NZE path. If it does not meet these two categories, then categorized as Red/Not Qualified.</li> </ol>
<b>Scope</b>	919 subsectors consist of 904 not in the Green category and 15 in the Green category.	The energy sector alone consists of 15 subsectors, including power generation, critical mineral mining, and gas. Other sectors such as those that are not yet included in Taxonomy 2, still refer to Taxonomy 1.
<b>Conversion Point</b>	Coal (Mining Sector) is in the Yellow and Red categories.	<p>Coal has not been studied in Taxonomy 2. So, it refers to Taxonomy 1, namely Yellow and Red.</p> <p>However, in Taxonomy 2, coal-fired power plants that will retire early are in the Green category. Then, the coal-fired power plant in the 2021-2023 RUPTL and the Captive coal-fired power plant are included in the Transition category.</p>

Source: *Taksonomi Hijau Indonesia 2022* ([link](#)) and *Taksonomi Untuk Keuangan Berkelanjutan Indonesia 2024* ([link](#))



This change in classification name shows that there is “language politics” by OJK that endangers the future of the climate. OJK stated that in the transition period from Indonesia Green Taxonomy (THI) to the Taxonomy for Indonesian Sustainable Finance (TKBI), the Green category is the same as Green, while the Yellow category is defined as Transition. Lastly, the Red category means Not Qualified. This clearly shows that there is a refinement of the meaning of the THI classification which can be said to be a form of greenwashing and even contributes to the climate delay discourse. If the Yellow classification in TKBI is the same as Yellow in THI, there should be no need for the term “transition”. This diction is actually part of greenwashing, something that is contrary to TKBI’s mission.

In TKBI, striking differences are present when compared with THI. One notable difference is that investments in coal-fired power plants are labeled Green. coal-fired power plants categorized as Green include coal-fired power plants that will receive funding for closure or early retirement. Strikingly, in the first taxonomy, coal-based investments are in the Red category. One of the reasons for the new guideline is following the taxonomy at the ASEAN level. Apart from that, this new taxonomy also put coal-fired power plants under the 2021-2030 RUPTL made firm by the Presidential Regulation (*Peraturan Presiden-Perpres*) Number 112 of 2022 concerning the Acceleration of Renewable Energy Development for the Supply of Electric Power (*Percepatan Pengembangan Energi Terbarukan untuk Penyediaan Tenaga Listrik*) in the Transition category. The electricity from these coal-fired power plants flows into the PLN grid. Additionally, this second taxonomy also labels captive coal-fired power plants whose electricity is only for industrial areas under the Transition category as well. By sector, captive coal-fired power plants are used by nickel, pulp and paper, aluminum, chemical, cement, and other industries. Until the second semester of 2023, the total captive coal-fired power plant is 13.74 GW with more planned to the total of 20.47 GW. All the labels above show that TKBI has no commitment to the goals of the Paris Agreement which mandates a reduction in coal use.

Referring to the 2021-2030 RUPTL, there are still 13.8 GW coal-fired power plants that will continue to be built and operate until 2030. Through TKBI, the possibility of investment is opened, because these coal-fired power plants are included in the Transition category. In TKBI, there is a contradiction between the sustainable mission and maintaining the dominance of the coal industry in the Indonesian energy mix, which shows that the government is not serious about reducing coal use.

This labeling of coal-fired power plants as Green and Transition shows a contradiction. Coal in THI is included in the Yellow and Red categories. Meanwhile, TKBI doesn’t have a category for coal. Thus, the categorization refers to the previous taxonomy (THI). This shows that there is an inconsistency in compiling the taxonomy in TKBI, where coal-fired power plants are classified under the Green and Transition categories, and coal is not even included in the Green category. The aim of TKBI should be to reduce greenwashing in economic activities that fall under this category. On the contrary, TKBI actually exacerbates greenwashing. Investors receive investment guidance that will tarnish their portfolios by supporting coal projects in power plants.

Not long after the publication of TKBI, investors seemed to welcome this investment guide for the early retirement of coal-fired power plant Cirebon-1 with a capacity of 660 MW which was already included in the plan. Three international banks: HSBC, Standard Chartered, and Bank of America are reportedly interested in financing the early retirement of coal-fired power plant Cirebon-1.

In funding the early retirement of coal-fired power plant Cirebon-1, the funds come from the JETP program, in which there are G7 countries who are members of IPG and financial institutions in GFANZ. The three banks that will participate in financing coal-fired power plant Cirebon-1 are part of GFANZ. This step by GFANZ emerged after the publication of TKBI. Previously, GFANZ in its JETP investment plan had not detailed its support. However, in principle, JETP must run fairly, like the first element [of its name], namely "just". "Fair" should also be interpreted as not placing coal use in coal-fired power plants in the Green category.

If one refers to the literature on systemic corruption, the phenomenon when actors, generally the government or legislators, who are given the responsibility to regulate a sector in the public interest, actually accommodate the interests of a few or even the interests of the sector that should be regulated, is commonly known as regulatory capture<sup>50</sup>. In the context of energy governance, regulatory capture at the macro scale is common in Indonesia and has been mapped by several entities<sup>51</sup>.

The illustrations in this subchapter are examples of the regulatory capture phenomena in the Indonesian energy sector. The government, in this case through OJK, does not play an active role in ensuring the public interest. On the other hand, rather than formulating green financing guidelines for investors that encourage a just clean energy transition, OJK seems inclined to prioritize the financial interests of the coal industry solely through TKBI a.k.a. Green Taxonomy 2.0.

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50 See, for example, Ernesto Dal Bó, "Regulatory Capture: A Review," *Oxford Review of Economic Policy*, Vol.22, No. 2, 2006, page 203.

51 See, for example, Iman Prihandono dan Ekawestri Prajwalita Widiati, "Regulatory capture in energy sector: evidence from Indonesia," *The Theory and Practice of Legislation*, Vol. 11, No. 3, 2023.



# The Largest Coal Corporations in Indonesia and Their Sources of Financing

This report examines the financial reports of seven large coal company groups in Indonesia with criteria that include concession area, production, coal-fired power plant ownership, and politically high-profile owners. The seven companies include PT Adaro Energy Indonesia, PT Bumi Resources, PT Dian Swastika Sentosa, PT Bayan Resources, PT Indika Energy, PT TBS Energi Utama (formerly Toba Bara Sejahtera), and PT Multi Tambangjaya Utama.

Table 3: Seven Large Coal Companies in Indonesia

Company Name	Concession Area (Ha)	2023 Production (In Million Tons)	PLTU (Coal-fired Power Plant) Ownership	PLTU Total Capacity (MW)
Adaro	307.949	62–64	PLTU Batang, PLTU Smelter Kaltara	3.100
Bumi Resources	257.237	75–80	PLTU Tanjung Bara*	54
Dian Swastatika Sentosa (Sinar Mas)	164.937	40	PLTU Sumsel 5, Kalteng 1, Kendari 5	900
Bayan Resources	91.901	42–48	PLTU Kariangau**	30
Indika Energy	91.437	31	PLTU Cirebon 1-2	1.660
TBS Energi Utama	7.087	3–3,5	PLTU Sulut 3, PLTU Sulbagut 1	200
Barito Pacific***	24.970	1,8	PLTU Jawa 9-10	2.000

Source: Derived the annual reports of each company and various reports in the media.

\* Coal-fired power plant for industrial and community areas.

\*\* Coal-fired power plant for industrial areas.

\*\*\* Barito Pacific acquired PT Multi Tambangjaya Utama's coal mine from PT Indika Energy in September 2023.

# 01 Dominant Players in the Upstream and Downstream of the Dirty Energy Business



## ADARO

The Adaro group conglomerate is affiliated with Garibaldi Thohir and the Thohir family. Garibaldi Thohir is one of the wealthiest individuals in Indonesia, with a net worth of \$3.3 billion (equivalent to around IDR 53.5 trillion). The Adaro Group is one of the largest coal companies in Indonesia in terms of concessions and production. Under the Adaro umbrella, there is a total coal concession area of 307,949 hectares.

In 2023, PT Adaro Energy Indonesia exploited 65.88 million tons of coal. Most of them were exported and part of them were sold domestically to meet domestic needs required by the government.

The Adaro Group also supplies its coal to fulfill the domestic electricity generation needs. Adaro even maximized its downstream coal business by building a coal-fired power plant with its partners under PT Bhimasena Power Indonesia in Batang, Central Java (capacity 1,000x2 MW). Control of the upstream and downstream coal business means that Adaro is inevitably part of the oligarchy. With this strong dirty extractive business base, Adaro is connected to some high-ranking Indonesian officials. Adaro shareholder, Garibaldi Thohir, is the older brother of Erick Thohir, the Minister of State-Owned Enterprises. He also has connections with President Joko Widodo (Jokowi) and the 2024 President-Elect, Prabowo Subianto. Alongside the wealthiest individuals who control one-third of Indonesia's wealth, Garibaldi openly sided with Prabowo during the 2024 election.

PT Adaro Energy Indonesia, one of the largest coal producers in Indonesia, was suspected by Global Witness in 2019 of committing financial crimes involving tax evasion. The modus operandi involved transferring profits from coal trading activities to affiliated companies based in tax haven countries. If these allegations are true, it is estimated that Indonesia lost potential tax payments amounting to \$125 million from 2009 to 2017 (had the business

activities been conducted within Indonesia). Adaro did not comment on the allegations to Global Witness but did provide a refutation to the media. Coal, which clearly exacerbates the climate crisis, will continue to expand under Adaro. Recently, Adaro is constructing a new coal-fired power plant in North Kalimantan with a capacity of 1,100 MW for a bauxite or aluminum processing and refining industrial area. This power plant will contribute to air pollution with carbon dioxide (CO<sub>2</sub>) of 5.2 million tons per year.



**SINAR MAS**

Sinar Mas is a business conglomerate, who not only deals with coal, but also has a portfolio that includes palm oil, pulp and paper, and power generation. There are two companies under Sinar Mas involved in the upstream and downstream coal business: PT Dian Swastatika Sentosa Tbk (DSSA) and PT Global Energy Mines Tbk (GEMS). The shareholders of DSSA include the Sinar Mas family members Franky Oesman Widjaja, Indra Widjaja, and Mukhtar Widjaja. Sinar Mas was founded by Eka Tjipta Widjaja, who passed away at the age of 98 in 2019. During his lifetime, Eka Tjipta was among the wealthiest individuals in Indonesia with a net worth of \$9.7 billion (equivalent to Rp 140 trillion).

DSSA operates and owns power plants, including four captive power plants (off-grid/power exclusively for industrial areas) for the Sinar Mas group's pulp and paper companies in Serang, Tangerang, and Karawang, Banten Province, with a total capacity of 300 MW. Additionally, DSSA's subsidiary, PT Datang DSSP Power Indonesia, operates three grid-connected power plants (on-grid/power connected to PLN's network) with a total capacity of 600 MW in South Sumatra, Southeast Sulawesi, and Central Kalimantan. Under DSSA, there is a coal exploitation subsidiary, PT Global Energy Mines Tbk (GEMS), which is one of the largest coal producers in Indonesia. In 2023, GEMS produced 30 million tons of coal, with plans to increase to 40 million tons in 2024.

Sinar Mas's involvement in politics can be traced through Gandi Sulistyanto, who worked for 30 years in the company, with his last position as the CEO of Sinar Mas. Since 2021, Gandi left Sinar Mas and was appointed by President Jokowi as the Indonesian Ambassador to South Korea. His political career continued in 2023 when Jokowi reappointed him as a member of the Presidential Advisory Council. Gandi is no stranger to Jokowi's inner circle. This is tracked in a report about Jokowi's family business empire. Gandi and his family are indicated to have a culinary start-up business with Jokowi's two sons, Kaesang Pangarep and Gibran Rakabuming Raka, under the partnership PT Harapan Bangsa Kita, also known as GK Hebat. This upstream and downstream dirty energy network of the Sinar Mas group places the company within an oligarchy that intertwines business and

political practices.

Sinar Mas's involvement in politics can be traced through Gandhi Sulistyanto, who worked for this company for 30 years with his last position being the president director of Sinar Mas. Gandhi left Sinar Mas in 2021 and has since been picked by President Jokowi to be the Indonesian Ambassador to South Korea. His political career continued in 2023 and was chosen again by Jokowi, this time as a member of the Presidential Advisory Council. Gandhi is not new to Jokowi's circle. This was made evident in a report about the Jokowi family business octopus. Gandhi and his family are indicated to be in a culinary start-up business with Jokowi's two sons, Kaesang Pangarep and Gibran Rakabuming Raka, under the PT Harapan Bangsa Kita partnership known as GK Hebat ('GK Great'). The upstream and downstream business network of the Sinar Mas group's dirty energy places this company as part of an oligarchy that links business practices and politics in one breath.



PT TBS Energi Utama Tbk (Toba), previously known as PT Toba Bara Sejahtera, makes coal one of the pillars of their business. This company is affiliated with Luhut Binsar Panjaitan, Indonesia's Coordinating Minister for Maritime Affairs and Investment. Luhut currently still owns shares in PT TBS Energi Utama, although in a minority and not directly (through PT Toba Sejahtera). In the past, Luhut was the majority shareholder of PT TBS Energi Utama (formerly known as PT Toba Bara Sejahtera) and played a role in founding this company. Apart from that, PT TBS Energi Utama is controlled by his nephew, Pandu Sjahrir. This shows that Luhut still has a role in Toba. However, on a number of occasions, PT TBS

Utama denied Luhut's involvement in company decision-making under the pretext of minority share ownership.

The company expanded from coal mines to coal power plants. Apart from that, the company focuses on palm oil plantations, micro water power plants, and also electric vehicles in partnership with GoJek, a large start-up company.

Luhut has been a minister in President Joko Widodo's cabinet since 2014. Luhut was able to last a long time in government because he could be said to be Jokowi's confidant. Luhut has even been recorded as holding at least 21 different public positions. These positions also include tasks that are outside the functions of the Coordinating Ministry for Maritime Affairs and Investment.

During Luhut's time serving as a minister, Toba's business also expanded. Two coal-fired



power plants were built and became operational during Luhut's time as a minister. Toba built PLTU Sulut-3 with a capacity of 2x50 MW in North Sulawesi, and PLTU Sulbagut-1 with a capacity of 2x50 MW in Gorontalo. Both were built in 2016–2017 and began operating in 2021.

The coal-fired power plants will continue operating and supporting the company for decades in accordance with the electricity purchase contract or Power Purchase Agreement (PPA). The term of this contract is usually 25 years from when the coal-fired power plant starts operating. Profits for the provider company will be obtained through the sale of all the electrical power produced to PLN as the buyer. The two coal-fired power plants above received financing from national banks. PLTU Sulut-3 received a loan of \$168 million from Bank Mandiri and PT Sarana Multi Infrastruktur (SMI). Additionally, PLTU Sulbagut-1 received a loan of \$230 million from Bank Mandiri.

Business interests overlapping with political positions are one of the oligarchic tactics that have been employed at Toba.



Arsjad Rasjid is the President Director of PT Indika Energy Tbk. Arsjad is affiliated with political affairs. Apart from serving as the Chairman of the Indonesian Chamber of Commerce and Industry (KADIN), he is involved as the Head of the Winning Team for the candidacies of Ganjar Pranowo and Mahfud MD in the 2024 Election. Again, the oligarchic tactics of linking politics with extractive business is evident in Indika.

## **INDIKA ENERGY**

Indika's business activities are closely tied to coal extraction. One of Indika's subsidiaries is PT Kideco Jaya Agung, which holds a coal concession of 33,887 hectares in Paser Regency, East Kalimantan. Kideco is an old mining company. Having been operational since 1982 and expected to continue until 2033. Indika also previously owned the PT Multi Tambangjaya Utama (MTU)'s coal mine in Central Kalimantan with a concession area of 24,970 hectares. As of late February 2024, PT MTU has been sold to the Barito Pacific group.

Generally, coal mining in Indonesia contributes greatly to global boiling through the massive emissions of methane gas (CH<sub>4</sub>). In fact, according to research from independent institutions, the actual CH<sub>4</sub> emissions in Indonesia could be up to seven times higher than what is officially reported by the government. The coal mining operations of PT Indika Energy, which will continue for 51 years, are major contributors to global boiling.

The environmental damage caused by Kideco, such as CH<sub>4</sub> emissions, will increase when



the coal is burned in power plants. Indika is involved in the construction and also holds shares in two power plants: PLTU Cirebon-1 with a capacity of 1x660 MW, where Indika holds 20% shares through PT Cirebon Electric Power, and PLTU Cirebon-2 with a capacity of 1x1,000 MW, where Indika owns a 6.3% share via PT Cirebon Energi Prasarana. One of the gasses that triggers global boiling from coal-fired power plants is carbon dioxide (CO<sub>2</sub>). In 2018, CO<sub>2</sub> emissions from PLTU Cirebon-1 reached 4.4 million tons.

The government plans to close PLTU Cirebon-1 seven years earlier than initially scheduled, by 2035 instead of the original contract end date of 2042. However, this early closure has been criticized for being financed through debt schemes. On the other hand, Indika continues to operate PLTU Cirebon-2 which has been running since 2023. This means Indika gets two benefits at once: from the early closure of PLTU Cirebon-1, which is compensated financially, and ongoing revenue from the operation of PLTU Cirebon-2. This shows that the coal-fired power plant early retirement program does not yet reflect aspects of climate justice. Although the early retirement of PLTU Cirebon-1 is part of the JETP framework, some civil society groups argue that the program still falls short of being considered fair.



Prajogo Pangestu, an energy and petrochemical business conglomerate, has a wealth of US\$ 61.8 billion (equivalent to almost IDR 1,000 trillion). This makes him the wealthiest individual in Indonesia as of May 14 2024. Prajogo is the ultimate beneficial owner of the PT Barito Pacific Tbk group which has business lines from coal mining, coal and geothermal power plants, to chemical processing factories.

## **BARITO PACIFIC**

PT Barito Pacific partners with PT PLN through its subsidiary to form a special company called PT Indo Power Raya (ITR) to build one of the largest power plants in Indonesia, namely PLTU Jawa 9 and 10 (capacity 2x1,000 MW) in Banten. For coal mining, at the end of 2023, Barito acquired the coal mining company PT Multi Tambangjaya Utama from PT Indika Energy for US\$ 218 million (around Rp. 3.5 trillion). With this purchase, Barito completes its dirty portfolio from upstream to downstream coal.

The financing of the PLTU Jawa 9 and 10 involved the World Bank through its business arm, the International Finance Corporation (IFC), which provided loans to Hana Bank, a South Korean bank. Hana Bank then loaned the funds to PT ITR to build PLTU Jawa 9 and 10. In response to World Bank's involvement in financing these coal-fired power plants, several civil society groups have lodged a complaint with the Compliance Advisor Ombudsman (CAO), an institution that provides a complaint mechanism for addressing

the impacts of projects supported by the World Bank<sup>52</sup>. The PLTU Jawa 9 and 10 are expected to produce 250 million tons of carbon dioxide (CO<sub>2</sub>), exacerbating the climate crisis. These plants also have the potential to cause thousands of future deaths. The World Bank's financing for this project has violated the Green Equity Approach policy.

All in all, it can be said that Prajogo's wealth is underpinned by coal and coal-fired power plants that have a clearly detrimental impact on the environment and human health. Such wealth is built on environmental destruction through the extraction of natural resources.

## 02 The Financing of Coal Corporations in Indonesia

### 1. Adaro Energy Indonesia (Loan from National Banks for the Aluminum Smelter Project)

No.	Bank	Loan in USD	Total Loan Assuming \$1 = Rp16.230
1.	Mandiri	\$585.000.000	Rp9.494.550.000.000
2.	BNI	\$350.000.000	Rp5.680.500.000.000
3.	BRI	\$450.000.000	Rp7.303.500.000.000
4.	BCA	\$270.000.000	Rp4.382.100.000.000
5.	Permata	\$100.000.000	Rp1.623.000.000.000
<b>TOTAL</b>		<b>\$1.755.000.000</b>	<b>Rp24.539.760.000.000</b>

Source: Market Forces

<sup>52</sup> Complaints about coal-fired power plants funded by the World Bank due to their contribution to the climate crisis and the adverse health impacts they cause to the CAO are relatively rare in Indonesia.

PT Adaro Energy Indonesia Tbk (Adaro), one of the large coal companies in Indonesia, is building an aluminum smelter that will utilize a coal power plant in North Kalimantan. On May 12, 2023, Adaro received financing from five national banks in Indonesia, namely: Bank Mandiri, BNI, BRI, BCA and Bank Permata<sup>53</sup>. They provided IDR 2.5 trillion and \$1.5 trillion in debt for smelters and coal-fired power plant, Kalimantan Aluminum Industri (KAI) and Kaltara Power Indonesia (KPI) with tenors of 8 and 10 years<sup>54</sup>. In other words, this loan will expire in 2031 and 2033.

Generally, Adaro obtains financing from a syndicate of banks whose details are not mentioned in the financial statements. However, national banks such as Mandiri are listed as facility agents for this syndication.

Adaro's 2020 annual report noted that in 2014, an international bank syndicate facilitated by Overseas Chinese Banking Corporation Limited became the syndication facility agent for a loan of \$1,000,000 (around Rp. 16,230,000,000). The annual report also noted that in 2015, Adaro also received a loan of \$200,000 (around Rp. 3,246,000,000) for a syndication facilitated by DBS Bank. In 2018, Bank Mandiri became the agent for a credit facility worth \$350,000 (around Rp. 5,680,500,000) from a syndicate of a number of banks.

## 2. Bumi Resources

No.	Loan Provider	Amount in USD	Total Loan Assuming \$1 = Rp16.230
1.	Wexler Capital Pte. Ltd (Wexler)	\$100.961.331	Rp1.638.753.844.126
2.	PT AP Investment	\$30.000.000	Rp486.945.000.000
3.	Bank Negara Indonesia	\$68.800.000	Rp1.116.727.200.000
<b>TOTAL</b>		<b>\$199.761.331</b>	<b>Rp3.242.426.044.126</b>

Source: Bumi Resources Annual Report 2020, 2021, 2022

53 Market Forces, "Banks can't fund Adaro's smelter without funding coal," accessed from <https://www.marketforces.org.au/campaigns/asia/adaro-smelter/>.

54 *Ibid.*

Based on the Supplemental Agreement on October 28, 2016, Credit Suisse AG, BRMS, and Wexler Capital agreed to transfer Bumi Resources' loan amount of \$100,961,331 (around Rp. 1,638,602,402,130) to Wexler. The loan transfer took effect on 2 December 2016 with a loan term of 2 years and a loan interest rate of 10% per year. In 2017, a dispute arose and Wexler filed a lawsuit at the South Jakarta District Court which resulted in a settlement with the loan amount being IDR 2.5 trillion.

Apart from that, in 2021, a domestic financial institution owned by tycoon Agus Projosasmito, PT AP Investment, also provided financing for Bumi Resources worth \$30 million (around Rp. 486.9 billion). In December 2021, PT AP Investment transferred credit to PT Adiprotek Envirodunia (ADPRO).

Since recently there has been a trend of a number of foreign banks withdrawing from coal financing, with SOE banks taking over instead.

Bank BNI, an SOE, has started providing credit facilities to the Bumi Resources group owned by the Aburizal Bakrie family since 2021 with a value of \$17,341,000 (around Rp. 281.4 billion) and in 2022 with a value of \$51,459,000 (around Rp. 835 billion). The total loans provided by BNI during this period reached \$68.8 million or around IDR 1.1 trillion.

Apart from providing term loan facilities, investment credit, special transaction loans, and working capital credit, there are also financing facilities such as bank guarantees and annual insurance premium financing. Term loans are generally used to purchase heavy equipment and purchase telecommunications equipment.

Syndicated loan in the form of investment credit provided by Mandiri and BCA to Bumi Resources in December 2016 worth IDR 343 billion with a term of ten years to finance mining and construction of coal mining facilities. Assets including barges served as collateral for these loans.

Support from foreign financial institutions also flows to the Bumi Resources group. In 2016, this group received financing from foreign financial institutions, Credit Suisse Group AG (from Switzerland) and Wexler Capital (from Singapore) worth IDR 1.6 trillion.

### 3. Dian Swastatika Sentosa (DSSA)

No.	Loan Provider	Amount in USD/AUD	Total Loan Assuming \$1 = Rp16.230 & AU\$1 = Rp10.780
1.	Bank Mega	\$160.000.000	Rp1.596.800.000.000
2.	Bank Danamon	\$5,000,000	Rp81.150.000.000
3.	Bank Mandiri	\$1.161.000.000	Rp18.843.030.000.000
4.	PT Sarana Multi Infrastruktur	\$224.900.000	Rp3.650.127.000.000
5.	ICICI Bank Limited, Cabang Bahrain	\$47.000.000	Rp762.810.000.000
6.	Elantis Premium Funding Limited (Elantis)	\$1.126.786	Rp18.287.736.780
7.	Sindikasi Mandiri dan BCA	(Loan denominated in Rupiah)	Rp343.434.000.000
8.	Sindikasi SMI, Mandiri, BCA, Bank Permata, dan Bank Shinhan Indonesia	(Loan denominated in Rupiah)	Rp5.982.900.000.000
9.	Bank Negara Indonesia	(Loan denominated in Rupiah)	Rp212.190.000.000
10.	Mandiri, Bank Shinhan Indonesia, SMI dan BCA	\$315.700.000	Rp5.123.811.000.000
11.	China Development Bank Corporation (CDBC)	\$468.000.000	Rp7.595.640.000.000

12.	Industrial and Commercial Bank of China Limited (ICBC)	\$160.000.000	Rp2.596.800.000.000
13.	Credit Suisse AG, Cabang Singapura (SUISSE)	AU\$150.000.000	Rp1.616.850.000.000
14.	Bank Permata	\$16.943.336	Rp274.990.343.280
15.	Cisco Systems Capital Asia Pte. Ltd. (CISCO)	(Loan denominated in Rupiah)	Rp773.000.000.000
16.	Elantis Premium Funding Limited (Elantis)	\$1.151.093	Rp18.682.239.390
17.	Cisco Systems Capital Asia Pte. Ltd. (CISCO)	\$6.604.191	Rp107.186.019.930
18.	Clearmatch Originate Pty. Ltd	\$3.981.509	Rp64.619.891.070
19.	Deutsche Bank AG, Cabang Sydney	AU\$50.000.000	Rp539.000.000.000
20.	Bank Woori Saudara Indonesia 1906 (BWS)	\$12.000.000	Rp194.760.000.000
21.	Bank Mandiri dan BWS	\$150.000.000	Rp2.434.500.000.000
22.	Bank Syariah Indonesia (BSI)	(Loan denominated in Rupiah)	Rp400.000.000.000
23.	Global Loan Agency Services Australia Pty. Ltd.	\$625.000.000	Rp10.143.750.000.000
24.	Ascend Capital Advisor(s) Pte. Ltd.	\$120.000	Rp1.947.600.000

25.	Caterpillar Financial Australia Limited (CATERPILLAR)	\$5.074.144	Rp82.353.357.120
<b>TOTAL</b>			<b>Rp63.458.619.187.570</b>

Source: Annual Report 2020, 2021, 2022

#### 4. Bayan Resources

No.	Loan Provider	Amount in USD	Total Loan Assuming \$1 = Rp16.230
1.	Bank Permata	\$340.000.000	Rp5.497.800.000.000
2.	Sumitomo Mitsui Banking Corporation (SMBC)	\$280.000.000	Rp4.527.600.000.000
3.	Bank Mandiri	\$75.000.000	Rp1.212.750.000.000
4.	Bank QNB Indonesia	\$50.000.000	Rp808.500.000.000
<b>TOTAL</b>		<b>\$745.000.000</b>	<b>Rp11.001.350.000.000</b>

Source: Annual Report 2020, 2021, 2022

## 5. Indika Energy (including Multi Tambang Jaya Utama)

At the time this report was compiled, PT Multi Tambang Jaya was still a subsidiary of Indika Energy. In February 2024, this subsidiary was completely acquired by PT Petrindo Jaya Kreasi. The company is owned by one of the wealthiest businessmen in Indonesia, Prajogo Pangestu.

No.	Loan Provider	Amount in USD	Total Loan Assuming \$1 = Rp16.230
1.	Bank Mandiri	\$1.587.194.144	Rp25.760.160.957.120
2.	Bank HSBC Indonesia	\$70.000.000	Rp1.136.100.000.000
3.	Citibank	\$80.000.000	Rp1.298.400.000.000
4.	PT Saipem Indonesia (Saipem)	\$9.771.429	Rp158.590.292.670
5.	PT Chiyoda International Indonesia (Chiyoda)	\$8.228.571	Rp133.549.707.330
6.	Bank Permata	\$15.000.000	Rp243.450.000.000
7.	Bank Woori Saudara Indonesia 1906	\$15.000.000	Rp243.450.000.000
8.	PT Sarana Multi Infrastruktur	(Loan denominated in Rupiah)	Rp256.634.000
9.	Standard Chartered Bank	\$12.797.716	Rp207.706.930.680
10.	DBS Bank	\$3.300.000	Rp53.559.000.000
<b>TOTAL</b>			<b>Rp29.235.223.521.800</b>

Source: Annual Report 2020, 2021, 2022



## 6. TBS Energi Utama

No.	Loan Provider	Amount in USD	Total Loan Assuming \$1 = Rp16.230
1.	Sindikasi Bank Mandiri dan PT Bank KEB Hana Indonesia	\$120.000.000	Rp1.940.400.000.000
2.	Sindikasi Bank Mandiri dan PT Sarana Multi Infrastruktur	\$157.986.000	Rp2.554.633.620.000
3.	Bank Mandiri	\$718.500.513	Rp11.618.153.295.210
4.	Bank Rakyat Indonesia	(pinjaman dalam bentuk rupiah)	Rp16.113.186.915.210
5.	Citibank N.A., Indonesia	\$14.000.000	Rp226.380.000.000
<b>TOTAL</b>			<b>Rp32.452.753.830.420</b>

Source: Annual Report 2020, 2021, 2022

In analyzing the annual reports of the 6 (six) companies mentioned above, we found syndicated loans from several financial institutions for each company<sup>55</sup>. Since the financial reports do not detail the portion of the loan provided by each institution, the data is presented collectively in a separate section as shown.

In recent years, coal exploitation in Indonesia has been on the rise, especially after the COVID-19 pandemic. From 2020 to 2023, coal production increased each year. In 2024, the production target is set at 710 million tons, lower than the 2023 production of 775 million tons. However, this target is still higher than the 2023 production target of 694.5 million tons. The continued surge in coal production contradicts Indonesia's energy transition efforts.

Another aspect of this contradiction to energy transition is evident in the financing patterns for the coal industry in Indonesia. National banks are currently the "last bastion" for the

<sup>55</sup> A syndicated loan is a type of loan provided by multiple banks and/or financial institutions working together. In a syndicated loan, the credit risk is shared among the lenders, allowing for a larger loan amount than any single financial institution could provide on its own. This type of loan is commonly used for large projects or corporate financing that requires substantial funding.

extractive industry to secure funding. This is because there is a trend where multinational banks are increasingly moving away from coal financing.

Referring to a report published by a coalition of international non-governmental organizations, as of 2022, 47 banks globally have policies to exclude coal from their financing portfolio<sup>56</sup>. 16 other banks exclude financing to all companies involved in coal mining, coal-fired power plants, or those planning to expand coal infrastructure. This means these banks are implementing internal policies to limit and tighten financing involvement in coal-related projects. These policies generally aim to align with environmental and social goals by reducing financial support to coal mining, PLTUs, or other coal-related activities, driven by concerns about various environmental impacts, including the climate crisis.

Formally, national banks do have commitments to reduce coal financing exposure. For instance, Bank Mandiri, a state-owned bank with assets approaching nearly two quadrillion rupiah, has committed to reducing coal financing. In its annual report, Bank Mandiri also states that it will not finance projects that harm the environment. However, Bank Mandiri still funds coal-related projects, such as financing a project owned by the Adaro group in North Kalimantan. Bank Mandiri argues that it relies on “government policies” for coal financing, including PLTUs. The bank’s financing is seen as filling the gap left by the lack of international banks willing to fund Adaro projects. International banks like Standard Chartered have even declared their intention to cease financing Adaro.

The weak commitment of national banks aligns with the weak commitment of the government in implementing energy transition efforts. This is exemplified by the continued fiscal space given through the “greening” of PLTUs.

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56 See Rainforest Action Network, *et.al.*, “Banking on Climate Chaos: Fossil Fuel Finance Report 2023,” accessed from [https://www.banktrack.org/download/banking\\_on\\_climate\\_chaos\\_2023/bocc\\_2023\\_0627.pdf](https://www.banktrack.org/download/banking_on_climate_chaos_2023/bocc_2023_0627.pdf).

# The 1% Behind the Indonesian Coal Giants



Like many others, Indonesia is plagued by increasingly stark economic inequality. In the last two decades, the gap between the wealthiest groups of people and the average Indonesians has become larger and grown faster compared to other Southeast Asian countries<sup>57</sup>. The four wealthiest people in Indonesia now have more wealth than the 100 million poorest Indonesians<sup>58</sup>. These wealthiest people, or those who can be classified as the 1% elite group or Indonesian oligarchs, have long been identified as having made their fortunes thanks to the coal industry<sup>59</sup>.

As a business sector, how the coal industry operates to profit a few has long been identified as having destructive impacts. This includes both ecological to social impacts. Coal companies do not operate in a vacuum and are far from what could be considered “business as usual”. In Indonesia, they wield a big influence over national policies. In the context of obstacles to coal phase-out in countries that are still expanding coal use, such as Indonesia, research has identified that elites and coal companies significantly affect political decisions through various means, one of which is lobbying<sup>60</sup>.

Thus, mapping the individuals behind Indonesia’s coal giants who not only benefit from the dirty energy business but have the potential to hinder pro-clean energy transition policies is the first step in finding serious solutions for energy decarbonization. For example, seeing whether there are politically exposed persons who are affiliated with coal companies, or whether there are individuals who have been recorded in Offshore Leaks because of their links to companies in tax haven countries. Tax haven countries are known to have weak legal regimes that often facilitate tax evasion or other financial crimes (generally referred to as secrecy jurisdictions).

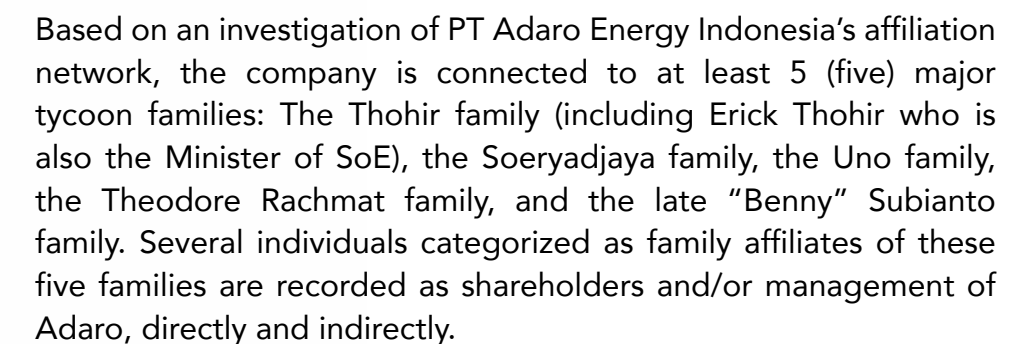
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57 See Luke Gibson, Oxfam International, “Towards a More Equal Indonesia: How the government can take action to close the gap between the wealthiest and the rest,” Februari 2017, accessed from <https://www.oxfam.org/en/research/towards-more-equal-indonesia>.

58 *Ibid.*

59 See, for example, Viriya Singgih, Project Multatuli, “Unearthing Indonesia’s 10 Biggest Coal Oligarchs,” 2022, accessed from <https://projectmultatuli.org/en/unearthing-indonesias-10-biggest-coal-oligarchs/>. See also Egi Primayogha, et.al., Indonesia Corruption Watch, “Siapa Di Balik Pembangkit Listrik?”, 2020, accessed from <https://antikorupsi.org/id/article/siapa-di-balik-proyek-pembangkit-listrik>.

60 See, for example, Nils Ohlendorf, et.al., “The political economy of coal phase-out: Exploring the actors, objectives, and contextual factors shaping policies in eight major coal countries,” *Energy Research & Social Science*, Vol. 90, 2022.



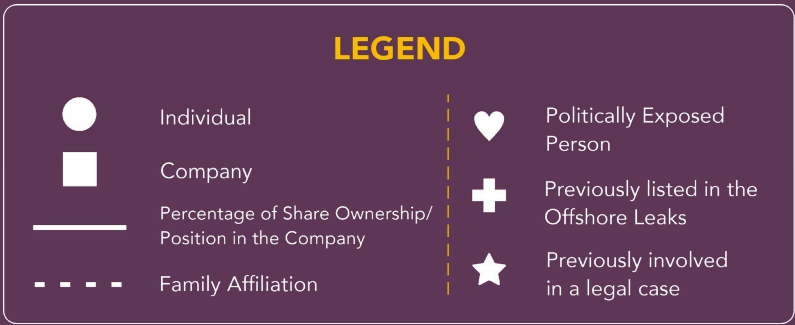
Furthermore, of the total of 29 individuals affiliated with the Adaro group, at least 15 individuals have been identified in Offshore Leaks. Additionally, at least 15 individuals can be categorized as politically exposed people.

## LEGEND

- Individual
- Company
- Persentase Kepemilikan Saham/Posisi di Perusahaan
- - - Family Affiliation
- 
- ♥ Politically Exposed Person
- ✚ Previously listed in the Offshore Leaks
- ★ Previously involved in a legal case

\*Visualization of the affiliation network map can be seen here:  
<https://embed.kumu.io/83eb731bb41022e0bd01f9ebc5c86433>





\*Visualization of the affiliation network map can be seen here:  
<https://embed.kumu.io/2c709d1f1bcd4e47c99b2ba4cd3c9c31>

Throughout PT Bumi Resources' business chain, at least 10 (ten) members of the Bakrie family (including Aburizal Bakrie himself) can be identified as being affiliated either directly or indirectly through share ownership or management positions. Specifically, out of the total 44 individuals mapped as affiliated with PT Bumi Resources, at least 10 individuals have names that are found in Offshore Leaks. Additionally, 17 out of the 44 individuals affiliated with PT Bumi Resources fall into the politically exposed person category.

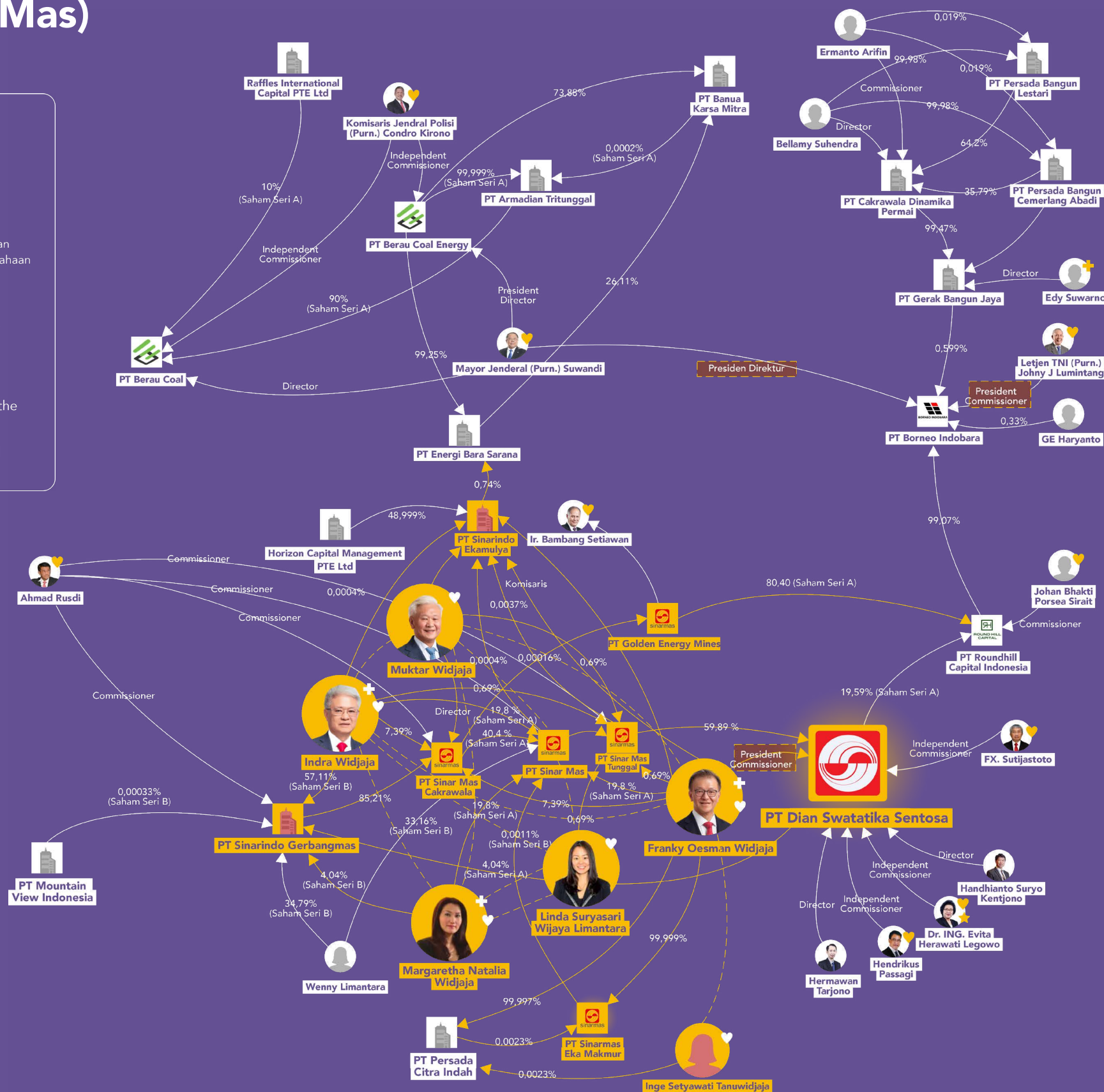
Lastly, two individuals fall into the “Have been involved in a legal case” category according to this report. The first individual from this category is Adika Nuraga Bakrie. The nephew of Aburizal Bakrie and President Director of PT Bumi Resources was once summoned by the Corruption Eradication Commission (*Komisi Pemberantasan Korupsi*-KPK) to provide information as a witness in the case of receiving gratuities within the Sidoarjo Regency Government in 2022. However, Adika did not comply with the summons from KPK.

The second individual, Phiong Phillipus Darma, listed as the director of PT Bumi Resources, was reported to the Metro Jaya Regional Police (*Kepolisian Daerah Metro Jaya*) for suspected falsification of documents in 2010. After failing to comply with a summons from the police twice, Phiong Phillipus Darma's name was put on the wanted list and even included in Interpol's red notice.



## LEGEND

-  Individual
-  Company
-  Persentase Kepemilikan Saham/Posisi di Perusahaan
-  Family Affiliation
-  Politically Exposed Person
-  Previously listed in the Offshore Leaks
-  Previously involved in a legal case



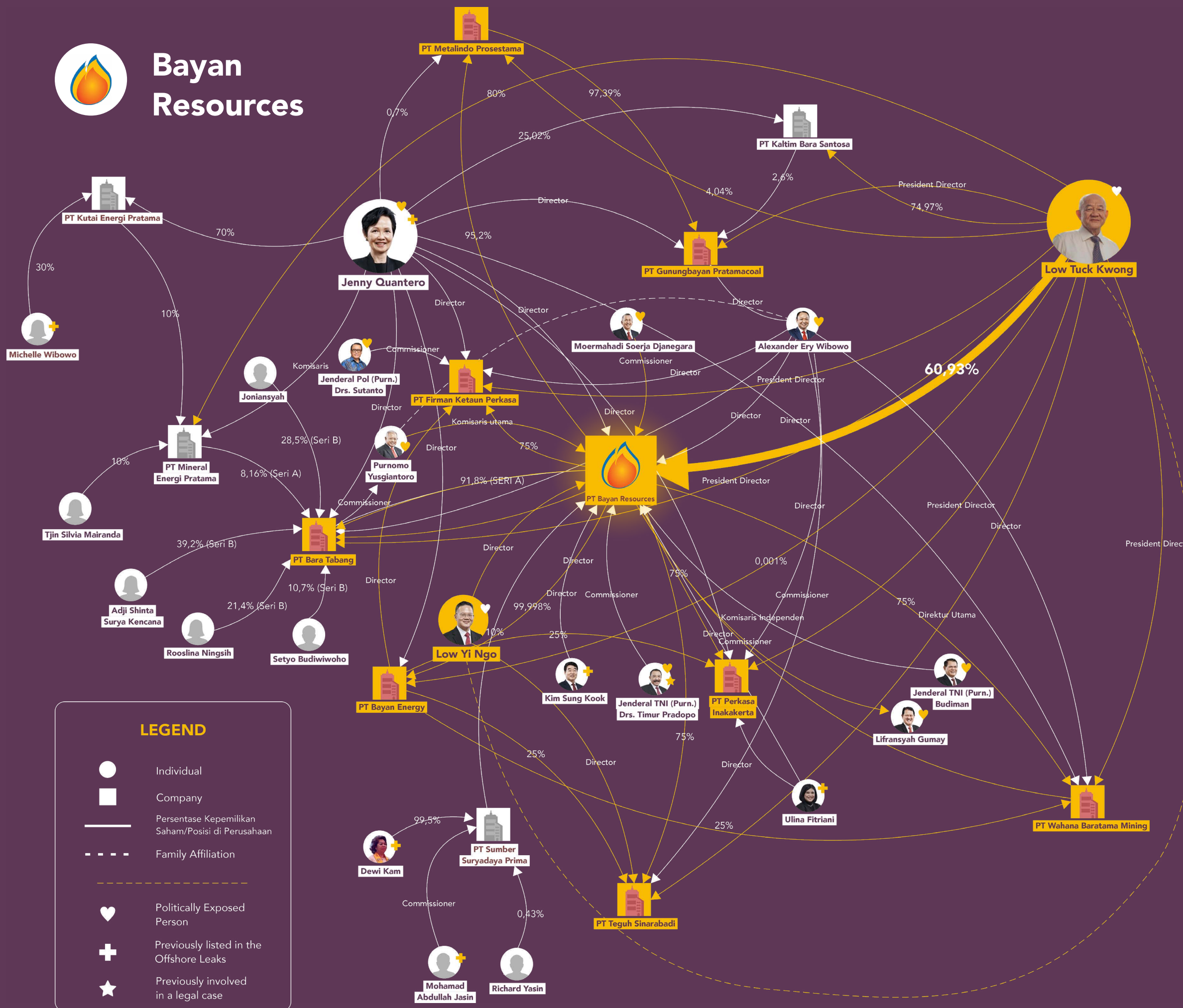
PT Dian Swastatika Sentosa (DSSA), one of the companies operating under the Sinar Mas group, is linked to the Widjaja conglomerate family. According to this report, at least six individuals can be confirmed as having family affiliations with the Widjaja family, holding roles as shareholders or managers, both directly and indirectly.

Among the 54 individuals affiliated with DSSA, the report identifies at least four individuals whose names are listed in Offshore Leaks. Additionally, at least 16 individuals from this group are categorized as politically exposed persons.

Lastly, one individual falls into the "Involved in Legal Cases" category according to the report. This individual is Evita Herawati Legowo, who currently serves as an independent commissioner of DSSA. She previously held the position of Director General of Oil and Gas at the Ministry of Energy and Mineral Resources of the Republic of Indonesia before retiring in December 2012. On September 20, 2023, Evita was summoned by the Corruption Eradication Commission (KPK) to provide testimony as a witness in a corruption case related to the procurement of Liquefied Natural Gas (LNG) at PT Pertamina for the years 2011–2021.

\*Visualization of the affiliation network map can be seen here:  
<https://embed.kumu.io/914c573c2825a35a5ac0415e01b7699f>

# Bayan Resources



The Bayan Resources Group is controlled by the conglomerate and the third richest person in Indonesia according to Forbes magazine in 2023, Low Tuck Kwong. There is at least one individual affiliated with Dato' Low Tuck Kwong through family relations, namely Low Yi Ngo, who is Low Tuck Kwong's son and serves as the director of PT Bayan Resources.

Based on the affiliate chain investigation of PT Bayan Resources, this report found at least 33 individuals who are connected to this company directly or indirectly through share ownership or management. Of these 33 individuals, 6 (six) have been recorded in Offshore Leaks. Additionally, at least 10 of these 33 individuals can be categorized as politically exposed persons.

One individual associated with PT Bayan Resources falls into the "Have Been Involved in Legal Cases" category according to this report. This individual is General (Ret.) Timur Pradopo, who currently serves as a commissioner at PT Bayan Resources. Timur Pradopo previously held the position of Chief of the National Police of the Republic of Indonesia from 2010 to 2013. In 2003, Timur Pradopo was summoned three times and asked to provide information by the National Human Rights Commission regarding cases of alleged serious human rights violations in the Semanggi and Trisakti tragedies that occurred in 1998. However, Timur Pradopo never complied with the summons.

\*Visualization of the affiliation network map can be seen here: <https://embed.kumu.io/40306a6438afc2480588ec5f21231470>





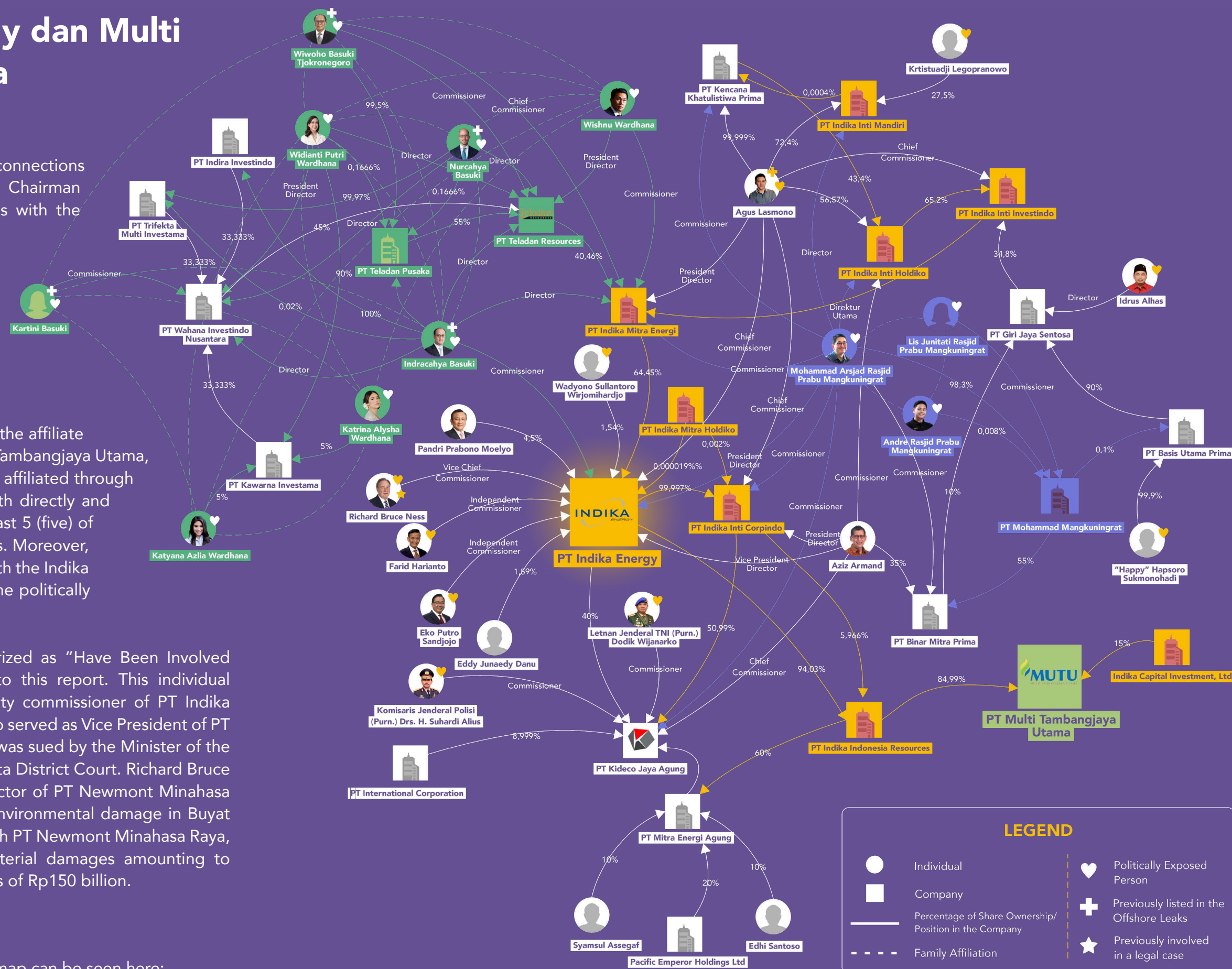
# Indika Energy dan Multi Tambangjaya

Behind the Indika group, besides connections with the tycoon family and KADIN Chairman Arsjad Rasjid, there are also affiliations with the family of businessman Wiwoho Basuki Tjokronegoro. Wiwoho is the father-in-law of Wishnu Wardhana, director of PT Teladan Resources, a company connected to PT Indika Energy indirectly through share ownership in PT Indika Mitra Energi.

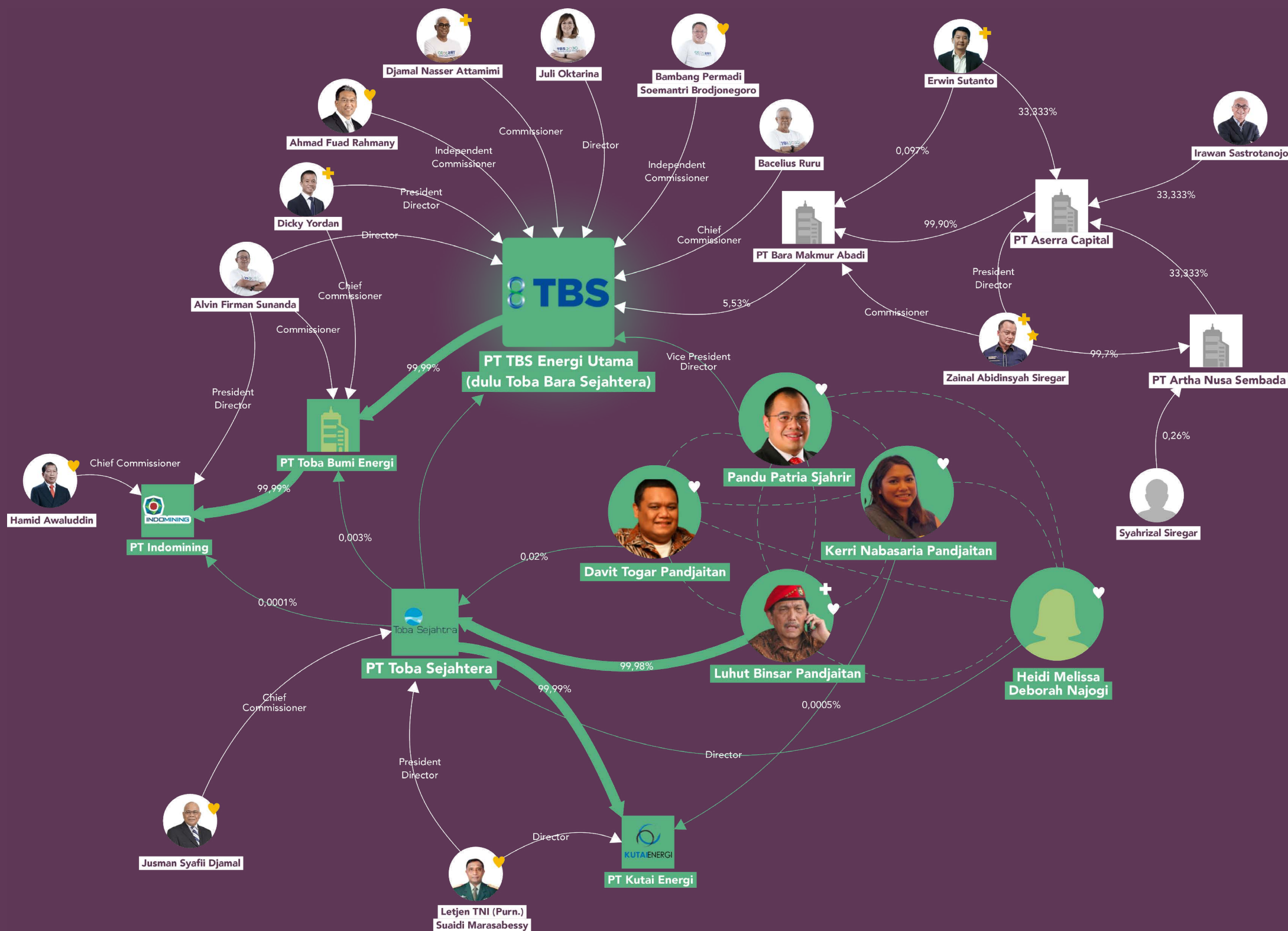
More precisely, based on the tracing of the affiliate chain of PT Indika Energy and PT Multi Tambangjaya Utama, there are at least 48 individuals who are affiliated through share ownership and management, both directly and indirectly. Of these 48 individuals, at least 5 (five) of them have been listed in Offshore Leaks. Moreover, of the total of 48 individuals affiliated with the Indika group, at least 21 individuals fall into the politically exposed person category.

Finally, there is one individual categorized as "Have Been Involved in Legal Cases" category according to this report. This individual is Richard Bruce Ness, the main deputy commissioner of PT Indika Energy. The American businessman, who served as Vice President of PT Freeport Indonesia from 1979 to 1997, was sued by the Minister of the Environment in 2005 at the South Jakarta District Court. Richard Bruce Ness, who was then the President Director of PT Newmont Minahasa Raya, was sued for allegedly causing environmental damage in Buyat Bay, Manado, North Sulawesi. Along with PT Newmont Minahasa Raya, Richard Bruce Ness was sued for material damages amounting to US\$117 million and immaterial damages of Rp150 billion.

\*Visualization of the affiliation network map can be seen here: <https://embed.kumu.io/37ac8a160c45cf4c83088b8a6bf2d347>



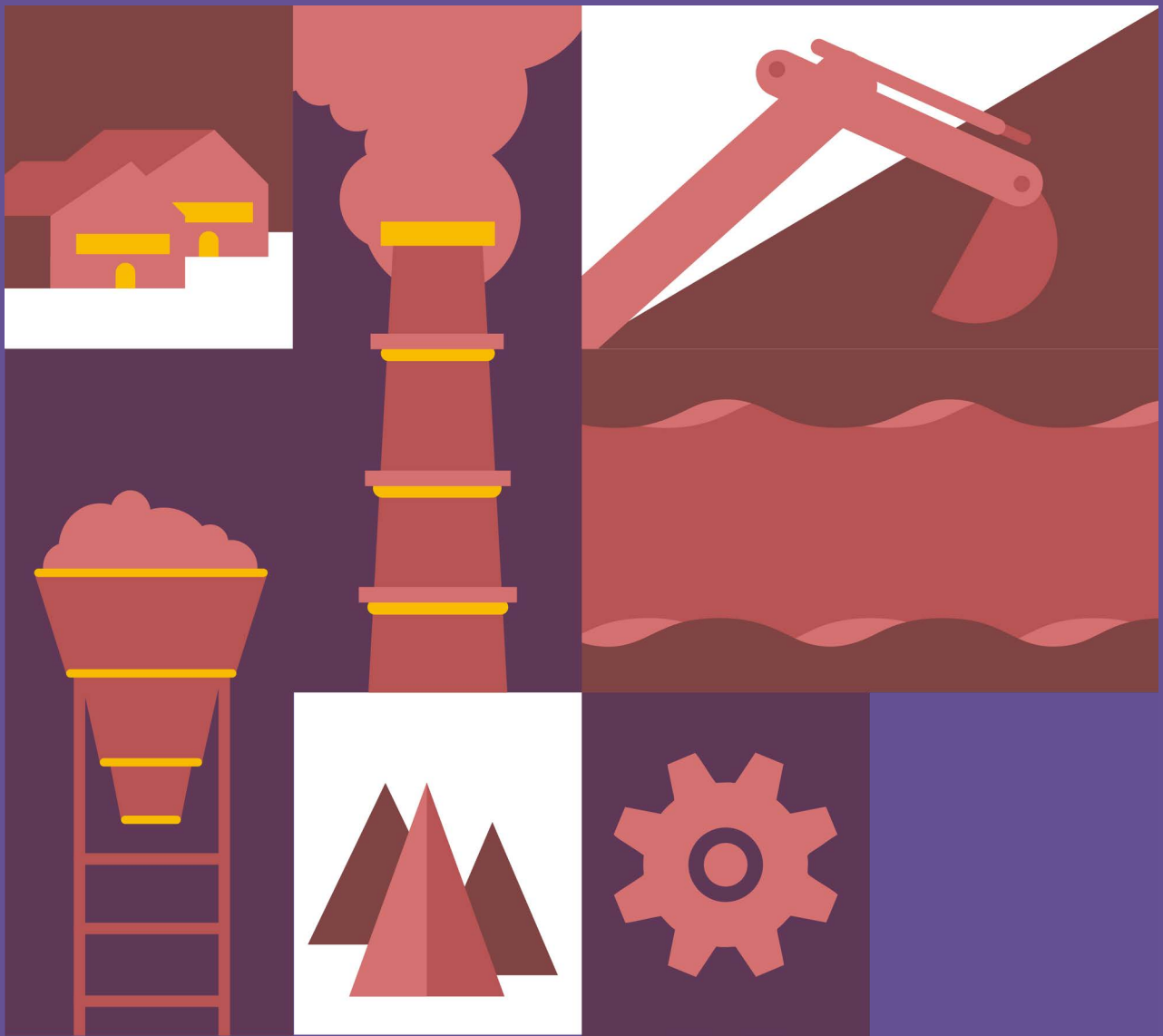
\*Visualization of the affiliation network map can be seen here:  
<https://embed.kumu.io/b95821cb46c2ce10f7f7860ac123022>



Based on the affiliate chain investigation of PT TBS Energi Utama, it was found that Luhut Binsar Pandjaitan, the Coordinating Minister for Maritime Affairs and Investment Indonesia, is still affiliated with this company through his majority share ownership in PT Toba Sejahtera. At least 4 (four) individuals have family affiliations with Luhut. They are connected to PT TBS Energi Utama either through direct or indirect share ownership or management positions.

Specifically, the investigation of the affiliate chain of PT TBS Energi Utama revealed that at least 23 individuals are affiliated either through share ownership or management, directly or indirectly. Of these 23 individuals, 5 (five) have been recorded in Offshore Leaks. Additionally, among the 23 individuals affiliated with PT TBS Energi Utama, 10 can be categorized as politically exposed persons.

Lastly, there is one individual who falls into the "Have Been Involved in Legal Cases" category according to this report. This individual is Zainal Abidinsyah Siregar. Zainal is connected to PT TBS Energi Utama through his position as the President Director at PT Aserra Capital and as Commissioner at PT Bara Makmur Abadi. On November 28 2022, he was reported to the National Police Headquarters in Jakarta on suspicion of document falsification and land grabbing.



# Conclusions & Recommendations



## Conclusions & Recommendations

Amid the global trend to move away from dirty energy such as coal, this report shows that the coal industry still receives substantial support, both politically and economically.

Politically, the regulatory and governance ecosystem created by the government highly accommodates the interests of the coal industry. Through various schemes, there is a strong impression that the Indonesian government is actually providing large incentives to maintain the country's dependence on coal as an energy source.

Economically, a number of financial institutions, such as banks, have a big role in extending the lifespan of the coal industry through injections of funds in large amounts. Through various forms of financial support, a number of banks (including state-owned banks) are violating their own internal commitments to encourage sustainable financing by continuing to finance one of the most destructive industries for ecosystem and climate sustainability.

The goal of achieving a just clean energy transition becomes increasingly distant when considering that individuals behind the largest coal companies in Indonesia are part of the 1% group—a wealthy elite with great influence over Indonesia's government landscape. This is illustrated by the fact that at least 89 individuals mapped from seven coal companies in this report are politically exposed persons. Given their influence and the profits they have so far obtained from the coal industry, there is great potential that these individuals have an interest in “delaying” the energy transition process in Indonesia that is seriously aiming to move away from coal.

With that in mind, this report recommends:

- 1 **Banks and other financial institutions** in Indonesia to have a strong commitment to the Paris Agreement by ceasing to finance the coal industry;
- 2 **Coal companies** to stop expanding coal-related projects in any form, including coal-fired power plants;
- 3 **The government** to sternly pursue the decarbonization of the energy sector and cease promoting coal expansion, including by no longer permitting the construction of captive power plants;
- 4 **The government** to stop all forms of greenwashing and climate delay in regulations and investment policies in Indonesia;
- 5 **The government**, as the 40th full member of the FATF, to fully comply with Recommendations 12 and 22 regarding politically exposed persons outlined in the FATF guidance document. This includes implementing policies and/or regulations that require financial institutions to have more comprehensive risk management systems than customer due diligence, especially concerning beneficial owners and politically exposed persons when conducting business with other companies;
- 6 **The public**, as customers, must also urge banks and other financial institutions to no longer finance coal companies.

# Appendix

## Details of the List of Company Deeds (Profile) Referred to in This Report

No.	Company Name	Date of Access from <a href="https://ahu.go.id/">https://ahu.go.id/</a>	Date of Deed
1.	PT Adaro Energy Indonesia	23 August 2023	22 May 2023
2.	PT Merdeka Copper Gold	15 May 2024	27 March 2024
3.	PT Pandu Alam Persada	4 September 2023	10 February 2022
4.	PT Alam Tri Abadi	27 September 2023	20 September 2021
5.	PT Trinugraha Thohir	24 August 2023	10 March 2021
6.	PT Saratoga Investama Sedaya	15 May 2024	21 April 2022
7.	PT Saratoga Sentra Business	4 September 2023	19 December 2022
8.	PT Tri Nur Cakrawala	4 September 2023	10 February 2022
9.	PT Triputra Investindo Arya	4 September 2023	15 September 2021
10.	PT Bhakti Energi Persada	27 September 2023	15 November 2022
11.	PT Persada Capital Investama	24 August 2023	10 February 2022
12.	PT Unitras Pertama	4 September 2023	22 June 2020
13.	PT Fajar Harapan Buana	27 September 2023	2 August 2023

14.	PT Indah Alam Raya	27 September 2023	27 May 2022
15.	PT Prakarsa Brantas	27 May 2024	13 August 2021
16.	PT Kaltim Prima Coal (KPC)	27 May 2024	14 December 2023
17.	PT Niaga Langgeng Sejahtera	27 May 2024	21 December 2023
18.	PT Bakrie Kalila Investment	27 May 2024	1 August 2022
19.	PT Shanala Makmur Sejahtera	27 May 2024	16 December 2021
20.	PT Citra Prima Sejati	27 September 2023	8 July 2022
21.	PT Lumbung Capital	26 September 2023	16 June 2022
22.	PT Bakrie Dharma Indonesia	26 May 2024	25 January 2023
23.	PT Arutmin Indonesia	15 May 2024	5 February 2024
24.	PT Sitrade Coal	26 September 2023	22 June 2022
25.	PT Graha Adika Niaga	27 May 2024	15 November 2023
26.	PT Bakrie Bakti Nusantara	27 May 2024	21 December 2023
27.	PT Bakrie Capital Indonesia	27 May 2024	21 December 2023
28.	PT Cakrawala Langit Sejahtera	15 May 2024	7 November 2023
29.	PT Pendopo Energi Batu Bara	21 September 2023	27 January 2022



30.	PT Bumi Resources	23 August 2023	30 June 2023
31.	PT Giri Jaya Sentosa	5 September 2023	8 May 2023
32.	PT Mohammad Mangkuningrat	7 September 2023	19 June 2023
33.	PT Trifekta Multi Investama	7 September 2023	8 April 2022
34.	PT Indika Mitra Energi	4 September 2023	24 November 2021
35.	PT Kawarna Investama	7 September 2023	8 April 2022
36.	PT Kideco Jaya Agung	6 September 2023	27 March 2023
37.	PT Teladan Resources	4 September 2023	9 February 2022
38.	PT Indika Energy	23 August 2023	19 April 2023
39.	PT Multi Tambangjaya Utama	27 September 2023	31 March 2022
40.	PT Basis Utama Prima	7 September 2023	16 June 2023
41.	PT Indika Inti Corpindo	6 September 2023	28 May 2021
42.	PT Wahana Investindo Nusantara	7 September 2023	8 April 2022
43.	PT Indika Inti Investindo	5 September 2023	16 August 2022
44.	PT Indika Inti Mandiri	5 September 2023	11 April 2023
45.	PT Indika Indonesia Resources	27 September 2023	23 August 2023
46.	PT Kencana Khatulistiwa Prima	5 September 2023	17 July 2023

47.	PT Mitra Energi Agung	27 September 2023	20 May 2021
48.	PT Binar Mitra Prima	7 September 2023	28 October 2022
49.	PT Indika Inti Holdiko	5 September 2023	30 December 2022
50.	PT Indira Investindo	7 September 2023	8 April 2022
51.	PT Teladan Pusaka	7 September 2023	8 April 2022
52.	PT Toba Sejahtra	24 August 2023	30 March 2022
53.	PT Kutai Energi	15 May 2024	2 May 2024
54.	PT Indomining	5 September 2023	28 June 2023
55.	PT TBS Energi Utama	23 August 2023	3 March 2023
56.	PT Bara Makmur Abadi	25 August 2023	23 March 2022
57.	PT Aserra Capital	25 August 2023	29 August 2019
58.	PT Artha Nusa Sembada	5 September 2023	8 September 2022
59.	PT Toba Bumi Energi	5 September 2023	5 July 2023
60.	PT Dian Swastatika Sentosa	21 September 2023	6 October 2022
61.	PT Cakrawala Dinamika Permai	2 October 2023	23 August 2023
62.	PT Sinarmas Eka Makmur	25 August 2023	8 August 2023
63.	PT Persada Bangun Lestari	4 October 2023	7 July 2023
64.	PT Berau Coal	5 September 2023	15 August 2022

65.	PT Persada Citra Indah	6 September 2023	27 March 2023
66.	PT Sinar Mas	23 August 2023	14 April 2023
67.	PT Armadian Tritunggal	7 September 2023	20 June 2023
68.	PT Borneo Indobara	21 September 2023	26 June 2023
69.	PT Golden Energy Mines	21 September 2023	22 November 2022
70.	PT Banua Karsa Mitra	7 September 2023	20 June 2023
71.	PT Sinar Mas Cakrawala	6 September 2023	10 August 2023
72.	PT Berau Coal Energy	23 August 2023	31 October 2022
73.	PT Roundhill Capital Indonesia	4 October 2023	22 November 2022
74.	PT Persada Bangun Cemerlang Abadi	4 October 2023	7 July 2023
75.	PT Gerak Bangun Jaya	2 October 2023	14 January 2022
76.	PT Sinarindo Gerbangmas	6 September 2023	14 April 2023
77.	PT Sinarindo Ekamulya	5 September 2023	22 July 2022
78.	PT Energi Bara Sarana	5 September 2023	20 June 2023
79.	PT Sinar Mas Tunggal	5 September 2023	6 March 2023
80.	PT Perkasa Inakakerta	2 October 2023	3 October 2022
81.	PT Kaltim Bara Santosa	28 May 2024	23 July 2021
82.	PT Teguh Sinarabadi	28 May 2024	18 December 2023

83.	PT Firman Ketaun Perkasa	4 October 2023	3 October 2022
84.	PT Wahana Baratama Mining	26 September 2023	3 October 2022
85.	PT Bara Tabang	28 May 2024	3 January 2024
86.	PT Kutai Energi Pratama	28 May 2024	20 November 2023
87.	PT Metalindo Prosestama	28 May 2024	23 September 2021
88.	PT Bayan Resources	23 August 2023	27 April 2023
89.	PT Sumber Suryadaya Prima	4 September 2023	30 November 2022
90.	PT Mineral Energi Pratama	28 May 2024	29 April 2024
91.	PT Gunungbayan Pratamacoal	4 October 2023	23 February 2022
92.	PT Bayan Energy	27 September 2023	3 October 2022

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