

COASTAL DEFENSE PROJECT IN JAKARTA: PROMOTING DUTCH BUSINESS INTERESTS OR PROTECTING THE CITY?

A Dutch economic trade mission is visiting Indonesia from the 21st to the 24th of November. Prime Minister Mark Rutte, who heads the mission, is accompanied by Minister Ploumen (Foreign Trade and Development), Minister Schultz van Haegen and State Secretary Dijksma (Infrastructure and Environment).

One of the main agenda points of the trade mission is the 'National Capital Integrated Coastal Development' (NCICD) project. Dutch engineering firms, with support from the Royal Dutch Embassy in Jakarta, are strongly involved in this multi-billion flood protection-land development plan for Jakarta Bay. The NCICD is meant to protect Jakarta against flooding from the sea and from the rivers that flow into the city. The NCICD comprises the construction of a dam and a new city district (Great Garuda). The total investment required may amount to \$40 billion. In addition to the NCICD, 17 islands will also be developed in Jakarta Bay.

Dutch organisations Both ENDS, SOMO and TNI are in close contact with Indonesian organisations that represent people whose livelihoods are directly affected by the project - in particular fishermen, women, and urban poor who are not connected with piped water services. These organisations are very concerned about the limited participation of local interest groups in the planning process leading up to the design and implementation of NCICD. This is especially problematic given the expected immediate negative impacts on the livelihoods and welfare of residents of Jakarta Bay. The local organisations furthermore doubt that the NCICD will address the most probable cause of the flooding of Jakarta: the sinking of the city.

The Netherlands applies strict criteria concerning people's participation in decision-making processes: local stakeholders must be included in all phases of the planning and decision-making, while proposed plans must be compared against alternative investment opportunities. In the Netherlands, corporate social responsibility is said to be key to sound project development and implementation. Dutch companies and authorities that are involved in the development and implementation of the NCICD, should act no differently abroad: they should make sure that the same high standards are applied in the Jakarta Bay project. While some Dutch stakeholders have been promoting the NCICD project as a model for sustainable water management, local groups present a different picture and report that their concerns are not being heard.

Both ENDS, SOMO and TNI are currently conducting a study on NCICD based on the stated concerns of local partners. The ambition is to identify opportunities that ensure the involvement and participation of local groups in solving the water problems in Jakarta in a truly sustainable way.

Does the NCICD project solve Jakarta's problems?

Jakarta is sinking fast, not least because of the extraction of large volumes of groundwater for drinking water. This makes the city vulnerable to flooding from both the sea and the rivers inland. The NCICD project, however, appears to focus mainly on the flood threat coming from the sea. Furthermore, there are major concerns about the impact of the project on the quality of the water in Jakarta Bay, where 13 heavily polluted rivers discharge. Planned developments will reduce the outflow of these rivers into the bay and the wider ocean, which is likely to cause further deterioration of the water quality.

Stopping the city from sinking should be the priority at the moment; Jakarta should become less dependent on groundwater as the main source of drinking water. This requires addressing the problem of upstream pollution of the 13 rivers. Local organisations are convinced that the drinking water supply in the poorer parts of the city could be improved by involving local residents in the process. However, these priorities and measures do not appear to be the main focus of the NCICD project at this stage.

The Netherlands is closely involved and therefore carries responsibility

The Dutch government has provided generous support to Indonesia to develop plans for the NCICD. Dutch engineering firms have had a large part in NCICD's design and planning. The planning process, however, seems not to have been executed in a transparent manner. It is questioned whether a thorough comparison between the NCICD and alternative solutions has taken place at all. Concerned local groups state that it is a missed opportunity to disregard alternative plans, which may prove less damaging for the environment and the livelihoods of their communities.

Dutch companies and the Dutch government aspire to present and promote their approach to addressing Jakarta's water problems as a model approach for how such complex issues should be tackled. However, this ambition will only be realised if the perceived flaws in the Dutch involvement in Jakarta Bay are corrected. First, the Dutch government should commit itself strongly to ensuring that local groups in Jakarta are involved in planning and decision-making according to formal procedures, and that their participation is part of a transparent process. Secondly, alternative solutions should be seriously compared to NCICD, to leave no doubt that the Dutch contribution really constitutes a sustainable improvement for the people of Jakarta.

Affected fishing communities feel they are not being heard

Thousands of fishermen in Jakarta fear they will lose their livelihoods because their fishing grounds in the bay will disappear as a result of the flood-protection project, while the NCICD will also obstruct their free access to the open sea. The fisher communities moreover claim they have never had any formal say in the planning stages of the NCICD and the accompanying land reclamation project. They sincerely doubt whether their interests have ever been considered in the current plans. The fishermen feel the need to think along with the planners about alternative solutions so that proper comparisons can be made between the social, economic and environmental costs and benefits in the long term.

In 2014, the fishermen joined forces with other affected groups and formed the 'Save the Jakarta Bay Coalition'. Earlier this year, the coalition sent two letters to Dutch Prime Minister Rutte to express its urgent concerns about the NCICD. The Coalition's main request to the Prime Minister and other Dutch stakeholders is to take the local concerns seriously and to address these in direct cooperation with the people affected. The organisations united in the Coalition remind the Dutch government of its publicly stated expectation that Dutch companies operating abroad respect the UN Guiding Principles on Business and Human Rights (UNGPs) and OECD Guidelines for Multinational Enterprises. They call upon the Netherlands to stop applying double standards, and instead to come up with a comprehensive plan based on the kind of participatory decision-making process that is common in the Netherlands; a process that includes local dialogue, invites feasible alternatives and is guided by the ambition to find a solution that is socially and environmentally sustainable.

Research questions

The ongoing investigation by Both ENDS, SOMO and TNI focuses primarily on the following research questions:

- Does the NCICD project meet the development goals set by the Dutch government, especially those regarding the participation of local stakeholders in large-scale development and infrastructural projects?
- Have alternatives to NCICD been sufficiently examined?
- How can the Dutch actors work together with local and national Indonesian authorities to make sure that Jakarta becomes a model for the implementation of sustainable and inclusive water management?
- What are the (financial) risks of this megaproject for Indonesia?

The conclusions and recommendations will be published in a report no later than early 2017.