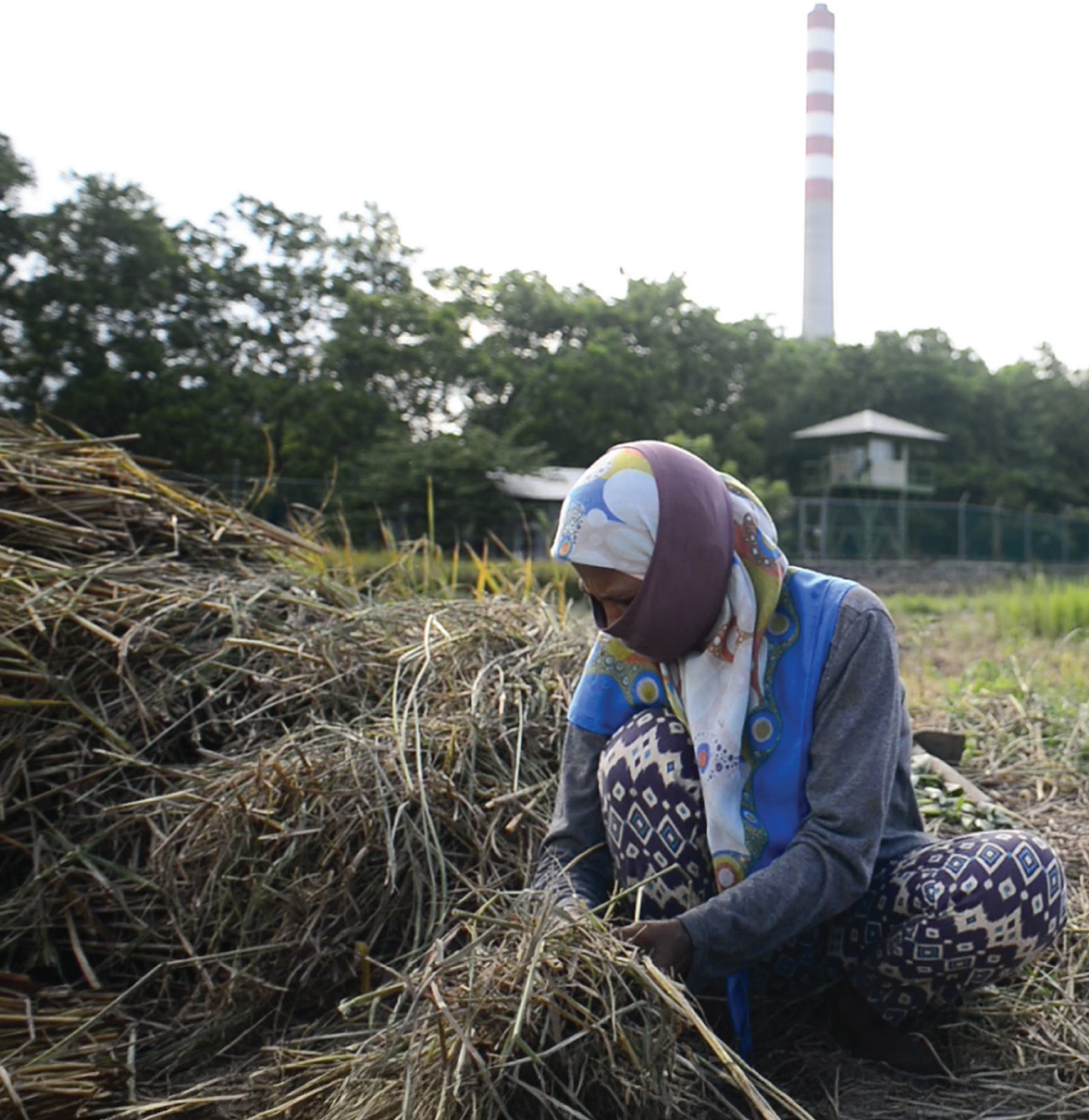
FAIR FINANCE ASIA

TOWARDS A GENDER-TRANSFORMATIVE ENERGY TRANSITION IN ASIA

November 2024



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ABOUT THIS WORKING PAPER

This working paper, commissioned by Fair Finance Asia (FFA), considers the extent to which the Asian Development Bank's (ADB) Energy Transition Mechanism (ETM) promotes gender equality and women's empowerment based on a case study of the planned early retirement of Cirebon 1 in Indonesia. While the focus of this study is on the impacts of the energy transition in Asia on women, FFA recognizes that there is a diversity of gender, including women, men, Lesbian, Gay, Bisexual, Transgender, Queer, Intersex, and Asexual (LGBTQIA+), and non-binary people, who will likely experience the risks and opportunities of the energy transition differently. However, this study focuses primarily on women and girls, as this is the current focus of the literature and has the strongest evidence on gendered impacts. The paper also notes that intersectional factors, such as race, ethnicity, caste, religion, disability, and class, can also lead to differentiated impacts.

This report considers documents published before 25 November 2024 and acknowledges that additional assessments will be undertaken and published by the ADB. The conclusions reached in FFA's working paper could, therefore, change based on information published in the future. The working paper does not assess other ETM pilot countries, specifically Kazakhstan, Pakistan, the Philippines, and Vietnam.

This joint paper is intended to provide data-driven evidence to contribute to the public debate on sustainable finance policymaking and implementation in Asia.

For more information on this working paper, please write to *info@fairfinanceasia.org*.

Front cover page: Woman member of a community affected by Cirebon 1 coal-fired power plant in Indonesia (Photo: ResponsiBank Indonesia).

ABOUT FAIR FINANCE ASIA

FFA is a regional network of Asian civil society organizations committed to ensuring that the business decisions and funding strategies of financial institutions in the region respect the social and environmental well-being of the communities in which they operate. Civil society coalitions from 10 countries are part of the FFA network: Bangladesh, Cambodia, India, Indonesia, Japan, Lao PDR, Pakistan, the Philippines, Thailand, and Vietnam. To learn more about FFA, visit: *www.fairfinanceasia.org*.

RESEARCH PARTNERSHIP

This working paper has been developed with the support of Christina Hill, business, human rights, gender and corporate accountability specialist, and independent consultant.

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CONTENTS

ABBREVIATIONS

ADB	Asian Development Bank
BIPOC	Black, Indigenous, and People of Color
CEP	Cirebon Electric Power
CFPP	Coal-Fired Power Plant
CSO	Civil Society Organization
ESF	Environmental and Social Framework
ETM	Energy Transition Mechanism
FFA	Fair Finance Asia
FPIC	Free, Prior and Informed Consent
JET	Just Energy Transition
JETP	Just Energy Transition Partnership
LGBTQIA+	Lesbian, Gay, Bisexual, Transgender, Queer, Intersex, and Asexual
MDB	Multilateral Development Bank
MW	Megawatt
PJTA	Preliminary Just Transition Assessment
PLN	Perusahaan Listrik Negara
PPA	Power Purchase Agreement
PPP	Public-Private Partnership
SESA	Strategic Environmental and Social Assessment
SESMP	Strategic Environmental and Social Management Plan
SOGI	Sexual Orientation and Gender Identity
SPS	Safeguard Policy Statement
STEM	Science, technology, engineering and mathematics
WRO	Women's Rights Organizations

SUMMARY AND HIGHLIGHTS

The use of thermal coal is the number one cause of global temperature rise. However, a global shift is underway. Energy systems are transitioning away from fossil fuels towards renewable energy. The energy transition has the potential to fundamentally change gendered power structures within households and communities and to contribute to gender equality and women's empowerment.

Existing coal-fired power plants (CFPP) in Asia are relatively young. A significant challenge to meeting emissions reduction commitments for many Asian countries is closing these power plants well ahead of their expected retirement and compensating CFPP asset owners and operators. In 2021, the Asian Development Bank (ADB) launched the Energy Transition Mechanism (ETM), which aims to retire existing CFPPs on an accelerated timeline and replace them with renewable energy sources. The ETM is planned for pilot in Indonesia, Kazakhstan, Pakistan, the Philippines, and Vietnam. The first transaction under the ETM is the Cirebon 1 660-megawatt (MW) CFPP in West Java, Indonesia.

FFA's analysis of the extent to which the ADB's ETM promotes gender equality and women's empowerment is based on the analysis of publicly available documents that assess the risks and opportunities associated with the ETM in Indonesia and the early retirement of Cirebon 1. It focuses on the potential risks and opportunities specifically for women with regard to economic justice, decent work and labor rights, health, land rights and land-based livelihoods, women's active and meaningful participation in the energy transition, and energy access.

The ETM aims to incentivize the early retirement of CFPPs. For Cirebon 1, this means bringing its closure forward to 2035. The process is long and analysis and planning are still at an early stage. This means there is only limited documentation available and not all documents are available in full. This presents challenges to understanding the full extent to which risks and opportunities for gender equality and women's empowerment have been identified. This long time frame also presents challenges to holding the ADB, Cirebon Electric Power (CEP), and the Government of Indonesia accountable for commitments made to date.

The just transition plan, which has been promised in the Preliminary Just Transition Assessment (PJTA), has the potential to promote gender equality and women's empowerment. Fair Finance Asia's (FFA) assessment of the PJTA suggests there is some foundation on which to prepare such a plan, but this will likely not fully elaborated until 2030–2032. The period between now and then will be crucial for integrating gender justice considerations. This period must be used by all stakeholders to ensure the meaningful participation of women and other marginalized groups, and local women's organizations and women's rights organizations (WROs). Future data collection and assessment should also consider issues related to the potential gendered impacts of the closure of Cirebon 1 on health, land rights and land-based livelihoods (as well as water rights and water-based livelihoods such as fisheries), unpaid care work, gender-based violence, and energy access, in addition to employment and decent work. The just transition plan should align with international norms and standards and contain concrete commitments to uphold gender equality and women's empowerment thorough the design and delivery of gender-transformative projects and programs.

RECOMMENDATIONS

FFA's recommendations are designed to contribute to the strengthening of the implementation of the ETM so it can promote gender equality and women's empowerment. Otherwise, the ETM risks entrenching and exacerbating existing structural and gender inequalities. The recommendations should be implemented alongside initiatives to strengthen energy democracy through small-scale, locally owned, and gender-representative energy systems; to address barriers to women's labor force participation; and to emphasize a rights-based approach and gender-based needs for ecosystem resilience.

For Indonesia and the Cirebon 1 transaction:

- Supplement the Strategic Environmental and Social Assessment (SESA) of the ETM in Indonesia with a gender impact assessment. It should be translated in local languages, published in full, and involve the active and meaningful participation of women and WROs during the preparation and implementation. The gender impact assessment should be based on gender-disaggregated data that includes clear information on employment and decent work, health, land rights and land-based livelihoods (as well as water rights and water-based livelihoods such as fisheries), unpaid care work, gender-based violence, and energy access.
- Publish the full PJTA and supporting analyses for Cirebon 1 and ensure relevant translations into local languages to make it accessible.
- Develop and implement a clear plan for the inclusive, active, and meaningful participation of women and WROs, civil society, and local community-based organizations. This plan should include a transparent and accountable feedback loop for all future assessments and transition planning processes, and decision-making in implementing the Just Energy Transition Partnership (JETP).
- The just transition plan for Cirebon 1 should be guided by a commitment to contributing to gender equality and women's empowerment, including through the design and delivery of gender-transformative projects and programs.
- Accountability frameworks and grievance mechanisms must ensure that the ADB, CEP, and the Government of Indonesia implement all their commitments and to ensure that the closure of Cirebon 1 is a first step towards a truly just energy transition (JET) rather than promoting false solutions.

For other countries' ETMs:

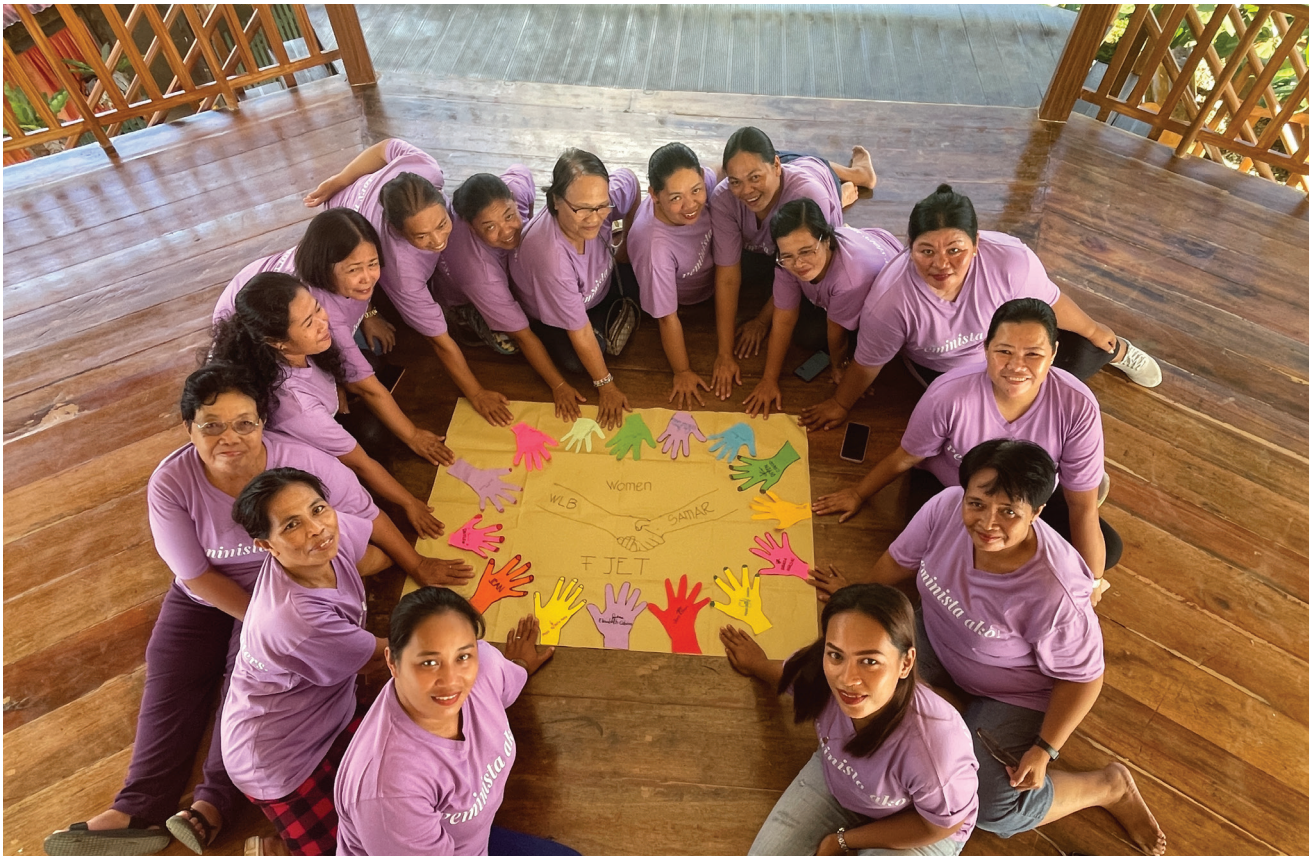
- Transition finance should be directed towards the development of renewable and democratized energy systems (including to provide more capacities and financing to meeting gender equality objectives) rather than the asset itself.
- All assessments of the potential risks and opportunities of the ETM for women and men should be equitably based on:
  - the collection and analysis of gender-disaggregated data;
  - a stand-alone gender impact assessment (in addition to tools such as SESA and a just transition assessment); and
  - the inclusive, active, meaningful, and continuous participation of women and WROs as well as relevant civil society organizations (CSOs).
- Just transition planning should be guided by a commitment to contribute to gender equality and women's empowerment, including through the design and delivery of gender-transformative projects and programs.

General recommendations to the ADB:

- Future transactions under the ETM should be conditional on the relevant parties not developing or investing in other CFPPs (or other fossil fuel-based energy systems or infrastructure).
- Update the gender toolkit for the energy sector to reflect the ADB's energy transition work program, revising outdated philosophies and including a more

contemporary, evidence-based feminist approach to gender-transformative systems, and a strong commitment to ensuring the energy transition contributes towards gender equality and women's empowerment.

- Strengthen gender safeguards in the approved Environmental and Social Framework (ESF), including reframing women's role as active participants within the framework of a gender action plan rather than the protectionist attitude of avoiding and protecting their rights.
- Develop and implement a more effective, gender-responsive grievance mechanism that delivers remedy and redress to affected people, including women, men, girls, boys, Lesbian, Gay, Bisexual, Transgender, Queer, Intersex, and Asexual (LBTQIA+), and non-binary people.
- Improve the environmental and social compliance audits by strengthening gender considerations in the processes, including with regard to the ETM.



Women in the Philippines during a community consultation on their understanding of a Feminist Just Energy Transition. Photo: Women's Legal & Human Rights Bureau.

Introduction

1

The use of thermal coal is the number one cause of global temperature rise. It is responsible for nearly half of the carbon dioxide emissions worldwide and 72% of greenhouse gas (GHG) emissions from the energy sector.[1] However, a global shift is underway. Energy systems are transitioning away from climate change-causing fossil fuels toward renewable energy. This shift is necessary if the world is to avoid dangerous climate change and limit global warming to less than 1.5°C above pre-industrial levels. The energy transition will catalyze significant financial and social investments and fundamentally alter energy systems and economies. The energy transition will reap benefits for the climate and possibly for "***sustainable development, prosperity and opportunity, without leaving anyone behind,***"[2] but only if transition processes are inclusive, equitable, and just.

The energy transition also has the potential to fundamentally change gendered power structures within households and communities, and to contribute to gender equality and women's empowerment. This is possible if the energy transition strengthens energy democracy through small-scale, locally owned, and gender-representative energy systems; addresses barriers to women's labor force participation; and emphasizes a rights-based approach and gender-based needs for ecosystem resilience.[3]

Energy democracy represents a shift from the corporate, centralized fossil fuel economy to one that is governed by communities. It brings togethers actions to transition to renewable energy sources with efforts to democratize the production and management of energy resources. It also promotes universal access to energy, fair pricing, and secure, well-compensated, and unionized employment.

The Energy Transition Mechanism

Existing coal-fired power plants (CFPPs) in Asia are relatively young. A significant challenge to meeting emissions reduction commitments in line with Paris Agreement targets of limiting global warming to 1.5°C for many Asian countries is closing these power plants well ahead of their expected retirement and compensating CFFP asset owners or operators.

In 2021, at the United Nations Climate Change Conference in Glasgow, Scotland (COP26), the Asian Development Bank (ADB) launched the Energy Transition Mechanism (ETM).[4] The ETM aims to retire existing CFPPs on an accelerated schedule and replace them with renewable energy sources. This will be achieved through the use of concessional and commercial capital from public and private sources to incentivize the early retirement of CFPPs and other carbon-intensive power generation, while also supporting investments in renewable energy, grid modernization, and energy storage. The role of the ADB is potentially catalytic given the costs and risks associated with the early retirement of CFPPs, and the costs and risks of developing new large-scale renewable energy projects that the financial sector is often not willing to finance.

The ETM is planned for pilot in Indonesia, Kazakhstan, Pakistan, the Philippines, and Vietnam, although each pilot is at a different stage.[5] The first transaction under the ETM is the Cirebon 1 660-megawatt (MW) CFPP in West Java, Indonesia. The owner of Cirebon 1, PT Cirebon Electric Power (CEP), is a joint venture between Marubeni Corporation (32.5%), Korea Midland Power Co (27.5%), ST International Ltd. (20%), and PT Indika Energy (20%).[6] Under its existing contracts, Cirebon 1 sells electricity to Indonesia's state-owned power utility company, PT Perusahaan Listrik Negara (PLN) under a power purchase agreement (PPA) that runs until 2042.

Cirebon 1 will likely be retired almost seven years earlier than scheduled under the ETM. A non-binding framework agreement between the ADB, PLN, CEP, and the Indonesia Investment Authority aims to shorten the PPA for Cirebon 1 and end the plant's obligation to provide

electricity in December 2035 instead of in July 2042, as originally planned.[7] The ADB has noted that because CFPPs typically operate for 40 years or longer, retiring Cirebon 1 in 2035 (it was commissioned in 2012) would avoid more than 15 years' worth of GHG emissions.[8]

Fair Finance Asia (FFA) is supportive of the early retirement of CFPPs and efforts to facilitate such an outcome. However, it must be noted that Cirebon 1 is located adjacent to Cirebon 2. Cirebon 2 is a 1000 MW, USD 2 billion CFFP that commenced operations in 2023. It was developed by PT Cirebon Energi Prasarana, a related company to CEP. While Cirebon 1 will retire early under the ETM, coal will continue to be burnt for power at Cirebon for many decades to come. Unless the situation described here is precluded in future ETM transactions there is a clear moral hazard incentive for coal producers or users to continue producing or using coal.

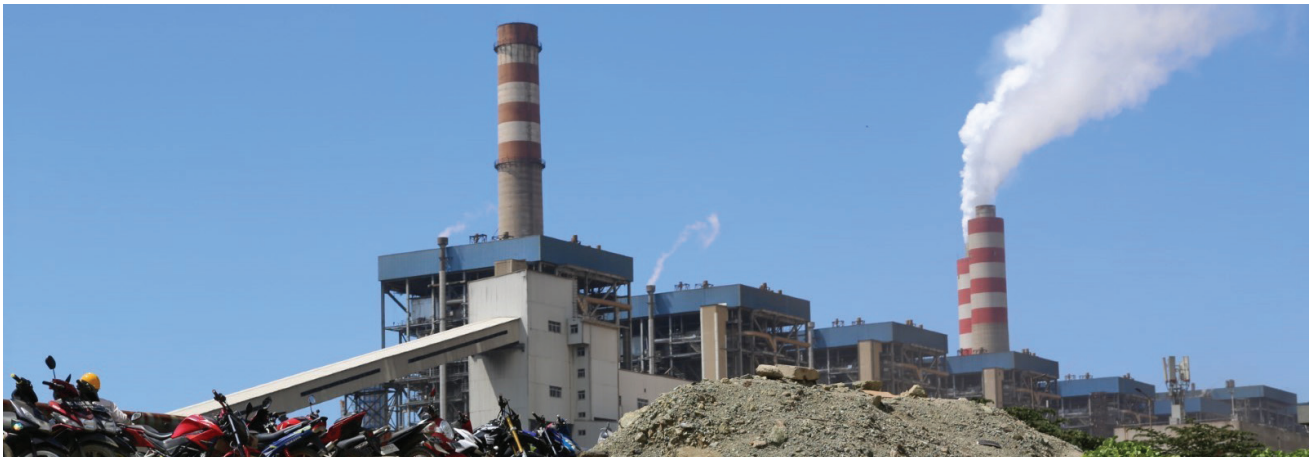
Implementation of the ETM in Indonesia is occurring alongside other energy transition initiatives. One is the Just Energy Transition Partnership (JETP). JETPs are designed to help coordinate financial resources (including public and private grants, loans, and investments) and technical assistance to assist emerging economies dependent on coal to transition their energy systems to renewable sources. In November 2022, the Government of Indonesia and international partners launched the USD 20 billion JETP for Indonesia on the sidelines of the G20 Summit.[9] The ADB is supporting Indonesia's JETP, including through the provision of institutional and capacity-building support for the JETP Secretariat.[10] The funding available to implement the ETM in Indonesia will complement other funds to implement the JETP.[11] Concerns have been voiced though that Indonesia's JETP has been developed with inadequate public and civil society participation, poor disclosure of information, and limited transparency. This is contrary to Indonesia's just transition framework, which is aimed at ensuring that the just transition process is inclusive, non-discriminatory, equitable, and accountable.

What is a just energy transition (JET)?

The ETM is implemented within the context of achieving a just energy transition (JET). This includes recognition by civil society organizations (CSOs),[12] policymakers,[13] the labor movement,[14] and parties to global climate negotiations that the energy transition needs to be just.[15] The ADB, along with other multilateral development banks (MDBs), have their own set of principles for a JET, which include some references to gender equality.[16] While different stakeholders have their own definitions or ideas of what a just transition means, they generally include commitments to sustainable development, poverty eradication, fairness and equality, stakeholder engagement, transparency and accountability, and gender justice or gender equality.

The Government of Indonesia, through its JETP Comprehensive Investment and Policy Plan (CIPP), has defined a just transition as "***an energy transition in which the resulting social, economic, and environmental risks and opportunities are equitably distributed among stakeholders according to their capacity and conditions affirmatively enable vulnerable underserved stakeholders to participate in decision-making that mitigates the risks and captures benefits from opportunities.***"[17] The Government of Indonesia's just transition framework is based on three foundational concepts: (i) human rights, (ii) gender equality and empowerment, and (iii) accountability.[18] These foundations aim to guide the just transition process to be inclusive, non-discriminatory, equitable, and accountable.

For feminist organizations, the energy transition will be just if it rectifies historical imbalances in the sharing and use of power, resources, and labor between women and men.[19] The energy transition must be "***gender-transformative,***" radically overhauling the economic, social, cultural, and political systems that support gender inequality.



Coal-powered nickel smelting and processing operations in Weda Bay, Halmahera island, North Maluku, Indonesia. Communities and CSOs in Indonesia and Asia are monitoring such operations and calling on companies and financial institutions to address their social and environmental impacts. Photo: Richard Kent, Research Consultant for FFA.

Key components of just energy transitions: A perspective from Fair Finance Asia

FFA's nine principles for JET are:[20]

1. No financing for new coal projects for electricity generation and phasing out existing coal-based power generation.
2. Development of a time-bound transition away from other fossil fuels for electricity generation.
3. Active investment in renewable energy generation.
4. Long-term planning and strategies to mitigate the adverse environmental and social impacts of renewables.
5. Respect for land rights and Free, Prior and Informed Consent (FPIC), and clear policies for community participation, gender sensitivity, and consultation with CSOs in large energy projects.
6. Protection of the rights of workers and mainstreaming of Human Rights Due Diligence during the energy transition.
7. Safeguarding the health, livelihoods, culture, and heritage of communities impacted by the continued use of fossil fuels.
8. Active and meaningful engagement and participation of women in the energy transition.
9. Investments in access to electricity for all.If the energy transition is to promote gender equality and women's empowerment, the active and meaningful engagement and participation of women is essential.

In addition, justice – between countries and between social groups within countries – must be at the centre of the energy transition. These are Oxfam's four justice principles and associated rights:

1. Recognition-based justice, which requires that the rights, concerns, and injustices experienced by affected marginalized economic and social groups, such as some groups of women, are recognized and addressed.
2. Procedural justice, which requires that affected people have a meaningful say in the design and implementation of transition policies and projects, including the right to FPIC, to freedom of association, and to organize and to protest, among others.
3. Distributional justice, which requires a fair distribution of the responsibilities, costs, and benefits of climate and energy action across different economic and social groups, and protects the right to life, land, decent work, a healthy and clean environment, and health and safety, among others.
4. Remedial justice, which requires that people and communities negatively affected by the energy transition are compensated fairly. These issues are critical to workers, communities, and all people affected by the climate crisis and energy transition, but they are often neglected or ignored.[21]

Rationale for the study

This working paper is a follow-up to the FFA and NGO Forum on ADB's 2023 white paper, ***The Asian Development Bank's Energy Transition Mechanism: Emerging Social, Environmental and Rights-Based Considerations.***[22] The paper highlighted some key social, economic, environmental, and climate risks and concerns about the ETM, asserting that implementing it could exacerbate socio-economic and climate injustices, and provides recommendations for how implementation of the ETM could be improved. This study builds on the 2023 working paper by adding a gender analysis.

This working paper considers the extent to which the ADB's ETM promotes gender equality and women's empowerment. It does so through a case study of the planned early retirement of Cirebon 1 in Indonesia. It provides an overview of the potential gender impacts of the energy transition, followed by a summary of the ADB's approach to gender. It concludes with recommendations to strengthen gender equality and women's empowerment through the design and implementation of the ADB's ETM.

The primary objectives of this study are to:

- Identify the gendered dimensions critical to a JET and opportunities for gender-transformative change in energy transitions.
- Investigate how gendered impacts are addressed in the ETM.
- Assess how the ADB's ETM could be more inclusive of gender perspectives and deliver gender-transformative outcomes to facilitate gender equality through the ETM in Asia.
- Develop policy recommendations for ADB and other relevant financial institutions, regulators, and stakeholders to advance a gender-just energy transition.

Cirebon coal-fired power plant operating at night, continuously emitting smoke from its combustion process. Photo: ResponsiBank Indonesia.

Methodology: scope and limitations

2

This working paper considers the extent to which the ADB's ETM promotes gender equality and women's empowerment based on a case study of planned early retirement of Cirebon 1 in Indonesia. It does not consider the other ETM pilot countries (i.e., Kazakhstan, Pakistan, the Philippines, and Vietnam).

The focus of this study is on the impacts of the energy transition in Asia on women. FFA recognizes that there is a diversity of genders, including women, men, Lesbian, Gay, Bisexual, Transgender, Queer, Intersex, and Asexual (LBTQIA+), and non-binary people who will likely experience the risks and opportunities of the energy transition differently. However, this study focuses primarily on women and girls, as this is the current focus of the literature and has the strongest evidence on gendered impacts. It is also noted that intersectional factors, such as race, ethnicity, caste, religion, disability, and class, can also lead to differentiated impacts.

To assess whether the ETM does, or is likely to, promote gender equality and women's empowerment, FFA has conducted a gender analysis of three key project documents:

- Strategic Environmental and Social Assessment (SESA) of the ETM in Indonesia – SESA Scoping Report[23]
- Cirebon Energy Transition Mechanism Pilot Project: Preliminary Poverty and Social Analysis[24]
- Cirebon Energy Transition Mechanism Pilot Project: Preliminary Just Transition Assessment[25]

Although the full SESA and accompanying management plan have been completed, they have not been published at the time of the publication of this working paper.[26] The published PJTA is a high-level summary; the full assessment and supporting analyses have not been published, given commercial sensitivities.[27]

The analysis here is restricted to documents published published before 25 November 2024. FFA acknowledges that additional assessments will be undertaken and published by the ADB. The conclusions reached in this working paper could, therefore, change based on information published in the future.

This working paper included a literature review and focused group discussions with key informants from the finance sector.

The analysis of the documents listed above examines whether and how the ADB has considered the potential risks and opportunities of the ETM and early retirement of Cirebon 1 for both women and men, with regard to economic justice, decent work and labor rights, health, land rights and land-based livelihoods, women's active and meaningful participation, and energy access. It looks at whether and how the ADB has considered the different roles, responsibilities, and needs of women and men, and the potential impacts of the ETM on them. Projects that do not take these different roles, responsibilities, and needs into account are gender-blind, likely to reinforce existing structural and gender inequalities and, therefore, unlikely to promote gender equality and women's empowerment.

The approach taken here could form the basis of future analysis, including of relevant documents published in the future and as basis for community-based (as opposed to desk-based) research. Community-based research could usefully assess the extent to which the committed further data collection, assessment, and engagement; and preparation of a just transition plan consider and address women's and girls' needs and interests.

Gender equality and the energy transition

3

The energy transition, like all social and economic change, has the potential to create both risks and opportunities, with different communities and people experiencing these risks and opportunities differently. Women's limited access to assets like land and capital, and their much larger share of care work that limits their access to paid work and educational and training opportunities, can make it difficult for women to adjust to major structural transitions.[28]

Existing social and economic inequalities will affect who benefits and loses from the energy transition. A multi-country research project conducted by Oxfam, which included Indonesia, found that:[29]

- Low-income countries, marginalized communities and households are often unable to share the benefits of renewable energy policies and programs because they cannot afford the investment costs (e.g., for solar photovoltaic) – this is a particular challenge in Indonesia.
- Racism[30] can mean that not only are the negative impacts of energy projects on Black, Indigenous, and People of Color (BIPOC) not recognized, but that their roles as knowledge holders, innovators, and leaders in developing climate responses and energy policies and projects are underutilized or ignored.
- Gender non-conforming people and other traditionally recognized third genders can also face specific vulnerabilities, such as legal barriers to expressing their voice in political processes. Yet, they hold important environmental roles in some cultures.
- Gender-based discriminatory practices, roles, social norms, and laws affect how women and girls will benefit from the energy transition. For example:
    - Women and girls suffer most from a lack of access to clean and affordable energy in low- and middle-income countries, such as time spent collecting firewood and the public health effects of polluting cooking devices, as they perform most unpaid care work in the home.
    - In many rural contexts, women are responsible for growing food for their family and for income, so land grabs – whether for renewable energy or transition mineral extraction – place women's livelihoods and food security at risk – this is a particular concern in Indonesia given the prevalence of critical minerals such as nickel.
    - Men greatly outnumber women in green energy-related jobs, including leadership roles, and are often paid more for the same type of work.

Potential gendered risks of the energy transition

There is a growing body of evidence on the potential gendered impacts of the energy transition, particularly on employment and livelihoods. While both men and women may experience risk, or negative impacts, the literature highlights the gendered nature in which these risks are distributed. Energy systems are gendered because women and men are involved differently in extraction and production processes, the management of energy systems, and as end users. Any change in any component of the energy value chain has a potentially greater impact on women because of their different roles in society, communities, and households.[31]

There is also a growing body of evidence on the gendered impacts of coal mine closure. Parallels can be drawn between the closure of coal mines and the closure of CFPPs, including the early retirement of Cirebon 1, given that both predominantly employ men. Women comprise a small proportion of the formal mining workforce, but work in large numbers in the informal, artisanal, and small-scale mining sectors in some parts of the world and in auxiliary business sectors. Women are generally poorly paid and typically engaged by contractors as low-level staff, casual, informal, or daily-wage laborers.[32]

The benefits (albeit potentially only short term) from redundancy payouts, access to employment and development programs when a coal mine closes therefore mostly accrue to men as they dominate the mining workforce.

Studies from Africa have found that during resource booms, women's livelihoods shift from agriculture to manufacturing and services sectors for better incomes. However, when mines close and former miners seek work in the manufacturing and service industries in the absence of other opportunities, women are forced to return to agriculture or other lower-income livelihoods.[33] Women's opportunities to earn a livelihood from agriculture may be limited, however, if coal mining has destroyed or polluted agricultural land or the water sources needed to grow crops. This suggests that women are further marginalized when coal infrastructure closes.

However, there are also opportunities for women. Studies from parts of the United Kingdom and the United States have found that previous coal transitions have often led to women entering the labor market as men lose their jobs and income.[34] Even when the economic situation for many families in former coal-mining regions worsened because women's incomes were low or insecure, women in those families gained some financial independence and strengthened their self-esteem and confidence. However, a lack of childcare services also created a double burden of paid and unpaid care work and limited women's career opportunities. However, these impacts may not all necessarily be the case in Indonesia or other parts of Asian given the many differences in context with the United Kingdom and the United States.

Other potential risks for women include:[35]

- Increased incidence of gender-based violence as a result of social changes linked to energy transition investments (e.g., displacement, influx of largely male foreign workers, hostile environments for women).
- Gender-based discrimination in the form of unequal wages and unequal access to work for women and girls in energy transition investments.
- Energy transition investments may alter ecosystem services and have a negative impact on livelihoods, especially for women and girls who are often responsible for household care work and depend on environmental services for their livelihoods.
- Limited representation of women in decision-making processes for energy transition investments, leading to discriminatory impacts on women and girls and missed opportunities for women's and girls' needs and interests to be addressed.

Key informant discussion: Gender and the energy transition

In September 2024, FFA hosted an invitation session with key stakeholders from the financial sector in Asia to discuss the energy transition. Questions included key considerations for the financial sector when financing energy projects, whether and how gender is a consideration, the incentives needed to accelerate finance for a just energy transition, and the sector's approach to assessing social and environmental safeguards.

On the question of gender, stakeholders suggested it is generally not a factor in financial sector decision-making. Financial institutions comply with relevant laws and regulations and international standards such as the Equator Principles, which are typically weak on gender. In terms of energy projects, commercial financial institutions are seeking to fund large-scale energy infrastructure and utility projects that do not consider gender at all in risk assessments. To the extent that just transition issues are considered, it is in terms of energy security and affordability and economic development; gender is not a central factor.

Most financial institutions do not make the connection between gender and the energy transition. While community engagement or sustainability specialists may understand the connections, key decision-makers do not appear to. There is also little to guide the sector apart from international standards for social and environmental performance.

There are, of course, some exceptions. Some financial institutions are beginning to funnel capital into projects that are gender-positive that enable women to contribute to economic development, and those that see climate and gender as integrated issues. Others are beginning to measure metrics such as women's representation and leadership within their own or other businesses or consider the differences in women's and men's repayment histories. While these are useful first steps, with potentially positive outcomes for women in some instances, it do not address the potential gendered risks of financial sector activity.

In project finance, financial institutions, including commercial banks, work as financial intermediaries and underwriters for MDBs, such as the ADB. In this case, the delegated nature of lending or underwriting gives commercial banks almost complete responsibility over investments in projects which include decision making to identify, assess, and mitigate the likely environmental and social impacts of projects. This opens projects to the risk of financial intermediaries evading compliance with standards that apply to direct-lending projects by MDBs. This non-compliance ultimately leads to, among other issues, the lack of transparency and accountability for the negative impacts of projects on communities and vulnerable groups, including women. FFA's session surfaced a lack of understanding of critical issues by commercial banks and other financial institutions, and therefore, a lack of capacity to prevent and mitigate gendered impacts of projects. This raises alarms on the potential role they may eventually play in energy transition initiatives across Asia. Financial intermediaries are not mandated to align with the ADB's social and environmental safeguards.

Opportunities: can the energy transition contribute to gender equality?

The energy transition offers numerous opportunities that can directly benefit both women and men and contribute to gender equality and women's empowerment. One is employment in new energy projects and systems, while others include ending energy poverty and expanding access to electricity. Less air pollution and improved air quality also benefit women and men. Given the impact of burning coal for energy on air quality and the health impacts of this, women enjoy an additional benefit here through move to electricity leading to reduced household health care responsibilities.

The growing renewable energy sector has the potential to provide new job opportunities for both women and men. Globally, employment in the sector grew from 7.1 million jobs in 2012 to 10.3 million in 2017, and is expected to almost triple by 2050.[36] Job opportunities exist across the value chain – from project planning and equipment manufacturing to construction and installation, facilities operations and maintenance, and a broad range of support services (such as finance, information technology, and human resources). However, discriminatory social norms, including that energy (and mining) are considered to be 'masculine careers', limited investment in women studying science, technology, engineering and mathematics (STEM) and early career development, limited mobility, unequal and heavy care responsibilities, lack of awareness of opportunities, limited education, lack of training opportunities, prevailing hiring practices, inflexible workplaces, sexual harassment in the workplace, and wage inequality are all barriers to women enjoying the benefits equitably with men.[37] A lack of childcare services also presents potential barriers to women being able to receive training and then employment in the renewable energy sector. Unless these barriers are overcome, women will be excluded from the benefits of the energy transition.

Expanding access to electricity for more communities through a shift to clean and renewable energy can have significant positive impacts on women. Access to electricity for indoor and street lighting, and for powering end-use appliances, can significantly reduce women's drudgery and energy poverty, increase school enrolment among girls, reduce gender-based violence in remote areas, boost women's opportunities to pursue income-generating activities, and enjoy leisure time.[38] Small-scale household solar systems can be particularly beneficial to children, women, and poor rural households, as the increased availability of light extends studying and working hours, allowing for better educational, health, and livelihood outcomes.[39] However, these benefits will not be realized if new energy systems overlook the energy needs of the world's poorest and most

marginalized communities and if the poorest families cannot access new technologies because of the cost.

Work by ENERGIA, the International Network on Gender and Sustainable Energy, suggests that a gender-just energy transition will not be possible unless:

- Women's access to and control over sustainable energy products and services are prioritized;
- Gender-smart investments and financing for women's businesses are made;
- There are equal opportunities for women's career advancement;
- There is an enabling energy policy;
- Market environment that promotes gender equality; and
- Accountability frameworks measure progress against achieving gender-specific targets; this ensures that gender-specific targets are effectively tracked and reported on, progress can be measured, gaps can be identified, and stakeholders (such as from government or the private sector) can be held accountable for achieving gender equality impacts.[40]

As the ADB has noted, the energy transition has the potential to have a positive impact on women.[41] FFA also believes that the energy transition has the potential to advance gender equality and women's empowerment. However, this will only happen if deliberate actions, including those listed here, are taken to ensure such outcomes. Energy transition planning must also be based on meaningful gender analysis, including understanding the barriers to women fully realizing the opportunities of the energy transition, the involvement of women and women's rights organizations (WROs), and continuous engagement with all affected people.

Women in the community of Koh Sneng, Thalaboriwat district, Stung Treng province, Cambodia, undergoing a training aimed at empowering them to repair and manage solar renewable energy systems. Photo: Fair Finance Cambodia.

The ADB's approach to gender equality

4

Numerous policy commitments, strategies, safeguards, and toolkits guide the ADB's approach to gender issues. Some apply to all aspects of the ADB's work and some to specific aspects only, such as project financing. This section of the working paper outlines the ADB's approach to gender and general expectations on gender established through ADB policy, strategy and other documents. It also takes a close look at its safeguards policy and assesses the strengths and weaknesses of the ADB's approach to gender.

Overarching approach and general expectations

The ADB's overarching approach to gender is articulated in its Gender and Development Policy, which was approved by the ADB Board in 1998.[42] The policy commits the ADB to being gender-sensitive in its approach, undertaking gender analysis and gender planning, mainstreaming gender across all aspects of the ADB's work and at all stages of the project cycle, and working with governments to develop strategies to reduce gender disparities. The ADB committed to operationalizing the policy by mainstreaming gender considerations in its macroeconomic and sector work, including policy dialogue, lending, and technical assistance.

The ADB's gender toolkit for the energy sector, published in 2012,[43] provides guidance on conducting gender analysis and mainstreaming gender in energy sector projects, including those related to policy development, rural electrification, and renewable energy. The toolkit can also be used to identify social and gender issues in Preliminary Poverty and Social Analysis conducted during the project concept phase.

A more recent toolkit on promoting gender equality in public-private partnerships (PPPs) outlines two key principles for promoting gender equality:[44] (i) conducting gender-specific review and analysis within the PPP project development cycle, and (ii) incorporating gender-inclusive features in the design of PPP frameworks, institutional structures, project architecture, and the services that projects deliver. The toolkit also outlines suggested gender actions for upstream (e.g., development of project pipelines or country regulatory frameworks), midstream (e.g., technical assistance), and downstream assistance (e.g., project finance). Both toolkits provide guidance and advice to ADB staff on how to consider and address gender in project design and implementation.

ADB's Strategy 2030 includes, among its seven strategic priorities a commitment to accelerate progress on gender equality.[45] Other priorities include addressing poverty and reducing inequalities, tackling climate change, building climate and disaster resilience, enhancing environmental sustainability, and making cities more livable.

The five-year operational plan for the gender equality priority includes strategic operational priorities.[46] These are: greater economic empowerment for women; enhanced gender equality in human development; enhanced gender equality in decision-making and leadership; reduced time poverty and drudgery; and strengthened resilience to external shocks. Implementation of the plan is based on several elements, including to improve the quality of project gender design and target setting, and to develop a stronger "***gender pipeline***" through country planning and programming processes.

With regard to the ADB's energy sector program, the operational plan for the gender equality priority outlines the following expectations:

- Expanding household access to affordable, modern, and renewable energy, resulting in reducing traditional fuel-gathering tasks and easing unpaid care and domestic work responsibilities.
- Expanding opportunities for energy-based livelihoods and income-generating activities for women.

- Providing employment for women and developing new skills (including scholarships) in energy projects or power system installation, maintenance, and operation.[47]

Project financing

The ADB's ESF, and previously its Safeguard Policy Statement (SPS), aims to ensure the social and environmental sustainability of the projects it finances by avoiding environmental and social risks and impacts, and minimizing, mitigating, and/or compensating for risks and impacts that cannot be avoided.[48] The ESF applies to projects financed and administered by the ADB.[49] The ADB Board of Directors approved the ESF in November 2024. The ESF will become effective 1 January 2026 and will supersede the SPS.

The 2024 ESF requires some assessment of gender risks and impacts, but it is limited. For example, the ESF requires that ADB clients should:

- Ensure meaningful consultation with project-affected people is based on early disclosure of information that is culturally appropriate and gender-responsive, among other things.[50]
- For projects affecting Indigenous Peoples, assess land and natural resource use in a gender-responsive manner and specifically consider women's role in the management and use of resources.[51]
- For projects that involve land acquisition and land use restriction, assess and address risks to and impacts on disadvantaged and vulnerable people in project planning and implementation, taking into account gender considerations related to lack of legal or recognized rights to land.[52]

A review conducted by the ADB in advance of its update to the safeguard policy found that gender-based violence, sexual harassment, and sexual orientation and gender identity (SOGI) are absent, and that these issues need to be reflected in the updated safeguard policy to mitigate gender-specific safeguard risks and to enhance gender inclusion in ADB projects.[53] The ESF includes SOGI in the definition of disadvantaged and vulnerable people and contains new requirements regarding sexual exploitation, abuse, and harassment[54].

However, it does not include a specific gender safeguard and does not require borrowers to conduct a stand-alone gender analysis or gender impact assessment for projects which may potentially result in interventions that are gender-blind. The ESF considers gender a cross-thematic area, and not as a standalone standard. Even as a cross-thematic area, gender is considered weakly, with women and girls grouped, vaguely, under broad categories such as, "***vulnerable groups.***" One analysis found that, on a word count basis, an earlier draft of the ESF included less gender language than the previous safeguard policy, and overall, actually weakened gender requirements.[55]

Disappointingly, the ESF does little to strengthen gender-specific safeguards or to enhance the gender inclusion of ADB projects.

FFA also notes that the approved ESF does not require clients to align with the Paris Agreement. This raises doubts about ADB's claim as the climate bank of the Asia-Pacific, on the one hand mobilizing finance for ETMs and other renewable energy initiatives, while still providing financing for coal, gas, and other fossil fuel projects, as well as false solutions, such as waste-to-energy incinerators, facilities to burn woody biomass, projects that replace coal or are co-fired with hydrogen sourced from fossil gas, large hydropower dams, or carbon capture and storage infrastructure.

Gender-blind vs gender-transformative

Gender-blind projects, programs, and policies fail to recognize that the roles and responsibilities of women and girls, and those of men and boys, are assigned to them within specific social, cultural, economic, and political contexts and backgrounds. Projects, programs, and policies that are gender-blind do not take these different roles and diverse needs into account. They maintain the status quo and will not help to transform the unequal structure of gender relations.

Gender-transformative projects, programs, and policies, on the other hand, overhaul the economic, social, cultural, and political systems that drive gender inequality, redefining women's and men's gender roles and relations, and the sharing and use of power, resources, and labor between women and men.

Gender equality is achieved when people of all genders and sexual orientations can exercise and enjoy equal rights. This means that, in all areas of life, women and people of diverse genders and sexual orientations are equal with men and have an equal say in defining and shaping the policies and decisions that affect their lives and society as a whole.

What are the strengths and weaknesses of the ADB's approach to gender?

How the ADB's various commitments and requirements for gender apply at different stages of ADB's assistance is shown in Table 1 below.

Table 1: ADB commitments and requirements for gender at different stages of assistance

ADB POLICIES AND COMMITMENTS	UPSTREAM (I.E., PROGRAM PLANNING, POLICY AND INSTITUTIONAL REFORM)	DOWNSTREAM (I.E., PROJECT FINANCING)
GENDER AND DEVELOPMENT POLICY	✓	✓
STRATEGY 2030 / OPERATIONAL PLAN FOR GENDER EQUALITY	✓	✗
GENDER TOOLKITS (GUIDANCE ONLY, LIMITED APPLICABILITY FOR PROJECT FINANCING)	✓	✓
SAFEGUARD POLICY STATEMENT / ENVIRONMENTAL AND SOCIAL FRAMEWORK	✗	✓

The ADB's approach to gender issues has both strengths and weaknesses.

The two toolkits discussed earlier provide much useful guidance and advice, particularly at the upstream stage. However, the ADB's gender toolkit for the energy sector was published many years before the ETM and, as such, was not written with the energy transition in mind (although the development of renewable energy projects is a focus of the toolkit). Further, the toolkit is framed around designing "***gender-responsive***" energy projects. The toolkit describes gender-responsive energy projects as those that ***"disproportionately benefit poor women, building capacity of women in utilizing the availed energy services, and/or narrowing the gender gaps that exist in the energy sector, such as participation in decision making and access to training and employment opportunities."***[56] While the emphasis on designing projects that benefit women is positive, a more feminist approach would also frame the toolkit around designing gender-transformative energy projects. A gender-transformative energy project would consider women as part of the energy supply chain, include gendered priorities at the policy and project stage, and consider women as end users of energy. An update to the gender toolkit for the energy sector may be timely.

The ADB's Energy Policy, which was published in 2021, gives considerable emphasis to the importance of gender equality, including in relation to employment, decision-making, and leadership in consultation, planning, and implementation of ADB's energy sector operations.[57] The policy states: "***In promoting gender equality in its sector projects, ADB will enable women to take advantage of emerging opportunities in the energy transition and work to dismantle the structural barriers that have hindered women's participation in the sector."***[58] The policy considers women's entrepreneurship in the energy sector as a means to expand energy access and address energy poverty.

The ADB has said that safeguards are integrated in all its interventions, including the ETM process.[59] However, previous research by FFA and the NGO Forum on ADB has found that it is not entirely clear whether and how the ADB will apply its safeguard policy to projects implemented by the ETM.[60] This is a concern, as is the fact both the SPS and ESF do not include specific gender safeguards or requirements for mandatory gender impact assessments. Without such safeguards in place, women may disproportionately bear the risks and/or be excluded from compensation associated with energy transition projects financed by the ADB. The ADB's approach to gender issues is weakest when its safeguards apply.

Finally, the ADB has said that the SESA is a way for MDBs like itself to assess safeguards at the program level, and that the SESA will be used as a systematic tool to evaluate the sustainability performance of different options for CFPP retirement and renewable energy development as part of the ETM.[61] The next section assesses whether the SESA for the ETM in Indonesia meaningfully identifies risks and opportunities for both women and men.

Members of the Loeha Women's Pepper Farming Cooperative in Indonesia drinking sweet Sulawesi coffee in the cooperative headquarters after a long day of tending to their peppercorn, coffee, and clove crops. This cooperative is a sub-division of the long-standing Loeha farmers' movement, organized by local and migrant farmers advocating for their rights in the face of mining expansion in the Loeha and Tanah Mhalia block. Photo: Richard Kent, Research Consultant for FFA.

Gender considerations and the early retirement of Cirebon 1

5

FFA's analysis of the extent to which the ADB's ETM promotes gender equality and women's empowerment is based on analysis of publicly available documents that assess the risks and opportunities associated with the ETM in Indonesia and the early retirement of Cirebon 1. It focuses on the potential risks and opportunities for women and men with regard to economic justice, decent work and labor rights, health, land rights and land-based livelihoods, women's active and meaningful participation in the energy transition, and energy access.

The ETM aims to incentivize the early retirement of CFPPs. For Cirebon 1, this means bringing its closure forward to 2035. The process is long and analysis and planning are still at an early stage. This means there is only limited documentation available and not all documents are available in full. This presents challenges to understanding the extent to which risks and opportunities for gender equality and women's empowerment have been identified.

Strategic Environmental and Social Assessment (SESA)

The SESA of the ETM in Indonesia has been conducted. The SESA aims to identify and address opportunities, risks, and impacts (positive and negative) associated with the retirement of existing CFPPs and associated infrastructure (including coal mines), and the development of new renewable energy generation.[62] The SESA does not consider specific CFPPs for early retirement or specific locations for renewable energy projects. Rather, it takes a broader view. The risks and impacts of individual CFPP closure or development of new renewable energy projects are subject to separate, project-specific assessments.

The SESA was undertaken in two stages:

- Scoping Phase (July–November 2022); and
- Assessment Phase (December 2022–June 2023).

This paper's assessment is based on the SESA scoping report published by the ADB in July 2023.[63] Although the full SESA and Strategic Environmental and Social Management Plan (SESMP) have been completed, they were not published at the time of publication of this working paper.

The scoping phase involved:

- Stakeholder analysis and initial mapping;
- Identifying key environmental and socio-economic issues, risks, and opportunities;
- Reviewing relevant legal, regulatory, institutional, and governance frameworks;
- Preparing an environmental and socio-economic baseline profile;
- Gap analysis;
- Stakeholder workshops; and
- Preparing the scoping report.[64]

The assessment phase would involve preparing a set of environmental and social quality objectives as a basis for subsequent assessment. The SESA scoping report notes that the final SESA report would be accompanied by a SESMP that would set out recommendations to manage environmental and social risks and impacts.[65]

While the SESA scoping phase considers gender issues to some extent (these are discussed below), there are several gaps and shortcomings.

The scoping report includes information on participants in a January 2023 scoping workshop (no such data is made available for other stakeholder workshops).[66] Government and state-owned enterprise representatives were the main participants, including one representative from the Kementerian Pemberdayaan Perempuan dan Perlindungan Anak (Ministry of Women Empowerment and Child Protection). There was very little civil society involvement and only one WROs was represented at the workshop. If

this was the case for all stakeholder workshops, this would be of great concern. The presence of WROs, as well as women who may be directly impacted, in all stakeholder consultations would help ensure a strong focus on gender is applied at both the scoping and SESA phase, and that gender issues and risks are identified in meaningful ways. Without the participation of WROs throughout the scoping and assessment process, gender issues may be ignored or given little attention.

Much of the socio-economic baseline data presented in the SESA scoping report, including poverty data,[67] wage data,[68] modelling of job losses,[69] data related to electricity access,[70] and data related to in- and out-migration,[71] is not disaggregated by gender. Labor force participation data is gender-disaggregated[72] in part, and the scoping report notes that employment in the coal sector is predominantly male.[73] However, the scoping report does not include gender-disaggregated employment data by sector or for the informal sector.[74] Gender-disaggregated data shows the differences between women and men, and enables analysis of how women and men may experience risks and opportunities differently. The extent to which the SESA can do this is, therefore, limited.

The scoping report includes short sections on gender and vulnerability[75] and on gender-based violence.[76] These sections provide a useful overview of key issues (e.g., in relation to women's labor force participation and unpaid care work), but they are limited in their analysis and explicit links to the ETM.

The scoping report highlights issues raised by stakeholders during the consultation process, including some with gendered implications.[77] These issues include the need to address sexual harassment in the workplace; to find ways to increase female labor participation; to consider the differing impacts on communities when assessing livelihood displacement patterns and retraining options; and to support business start-ups, including for women's cooperatives, and opportunities for women and Indigenous Peoples ownership of renewable energy projects. While some important gender issues have been identified by stakeholders, they have not been incorporated in the scoping report in a systemic way.

Because the full SESA is not yet published, it is not possible to say whether and how the SESA has meaningfully identified and assessed the different risks and opportunities likely to be experienced by women and men associated with the ETM in Indonesia. However, FFA's analysis of the scoping report suggests it is unlikely to.

Finally, it should be highlighted that the SESA process considers the ETM in Indonesia, not the early retirement of Cirebon 1 (or any other specific project). The SESA is, therefore, of limited relevance to communities most likely to be impacted by the closure of Cirebon 1, and it does not provide a framework for understanding the risks and opportunities for gender equality and women's empowerment arising from the closure of Cirebon 1.

Preliminary Poverty and Social Analysis and Preliminary Just Transition Assessment

In February 2024, the ADB published a Preliminary Poverty and Social Analysis[78] and PJTA[79] for Cirebon 1. The PJTA provides a more substantial assessment of the two and gives greater attention to gender issues, particularly those related to employment and livelihoods and women's active and meaningful participation.

The Preliminary Poverty and Social Analysis provides a brief overview of gender issues and climate change – noting, for example, the evidence of differentiated impacts of climate change and environmental degradation on women and girls in comparison to men and boys, particularly those in vulnerable and marginalized situations – and the energy transition.[80] In recognition of some of these issues, the Preliminary Poverty and Social Analysis states that: "***Gender due diligence will explore the project's potential to provide women's access to jobs, supporting women in gaining relevant skills, designing programs that offer flexible learning opportunities, especially for women, women are consulted during the development of the JT [Just Transition] Plan and address sexual exploitation, abuse and harassment risks. Identification of potential negative impacts and risks on women and girls will be identified through the project's planned preliminary just transition assessment.***"[81] A commitment to gender due diligence and the identification of potential impacts and risks on women and girls are welcome. However, it is not clear when gender due diligence will occur or its relationship to the PJTA.

The Preliminary Poverty and Social Analysis identifies primary stakeholders in the early retirement of Cirebon 1.[82] These include

Cirebon 1's workforce and the local communities, including small-scale fisherfolk, salt farmers, shrimp collectors, and green mussel farmers whose livelihood activities are being conducted close to Cirebon 1. The analysis does not consider the gender of these stakeholders, which is an obvious gap, but does provide a basis for doing so in the future as part of a comprehensive gender analysis or impact assessment. The Preliminary Poverty and Social Analysis also notes that a stakeholder engagement plan will be developed to set out the principles for which stakeholder engagement activities will be developed and implemented, including those related to the just transition plan.[83] It will be critical that this plan includes principles and strategies for women's meaningful engagement.

The published PJTA is a high-level summary of the full assessment. The full assessment and supporting analyses have not been published given commercial sensitivities.[84]

The PJTA sets out a four-stage transition process for Cirebon 1:

- Stage 1 (2023–24): PJTA is conducted;
- Stage 2 (2024–30): further data collection, assessment, and engagement;
- Stage 3 (2030–32): preparation of a just transition plan; and
- Stage 4 (2033 onward): implementation.[85]

A commitment is also made to collect gender-disaggregated data and to conduct a gender analysis pathway as part of Stage 2, and to future close consultation with core stakeholder groups and the active participation of women and marginalized and vulnerable groups who may be disproportionately impacted by the closure of Cirebon 1. The PJTA report notes that a "***detailed just transition impact assessment is not being prepared now due to uncertainty about the future socioeconomic and physical context in the project area, changes in regulatory or policy environment, and uncertainty related to the retirement or repurposing scenario that will be agreed.***"[86]

The potential impacts of the early retirement of Cirebon 1 on employment is a focus of the PJTA and employment data is, in part, gender-disaggregated. Those directly affected by loss of employment at Cirebon 1 will be mostly men given the nature of the workforce. The assessment notes that "***women working in informal sectors around the Cirebon 1 could be affected by the early plant retirement, with some possibly losing sources of income… Specific attention needs to be paid to this as part of the just transition process and assessment and planning for indirect impacts.***"[87] The assessment also notes the "***likelihood of higher impact on those working in informal and/or auxiliary business sectors, which are represented by women***" and that there may be "***participation and access barriers to economic diversification opportunities.***"[88] The PJTA notes that these and other indirect and induced impacts require further analysis and stakeholder engagement, and a coordinated and programmatic approach to mitigation.

Other potential impacts on women identified by the PJTA include:

- Increased risk of sexual abuse and harassment because of increased unemployment in the local labor force; and
- Negative impacts on women by the closure of Cirebon 1's corporate social responsibility (CSR) programs, many of which are focused on women's livelihoods.[89]

It should be noted that the neighbouring Cirebon 2 CFPP also implements CSR programs which presumably will continue regardless of when Cirebon 1 closes.

The PJTA summarizes the potential impacts of the early retirement of Cirebon 1 on various stakeholder groups and provides some indicative mitigation actions that it says will be implemented by CEP. Of the identified actions, some are sensitive to women's potential needs. These include:

- Establishing, funding, and facilitating fair and equitable access to career counseling and job placement services (through a male and female career counselor).
- Ensuring the career center for job placement and reskilling, counselling, and other social support services for impacted people is also designed to meet women's needs through gender-sensitive services and delivery.
- Developing targeted measures for women entrepreneurs and vendors contractually linked to Cirebon 1, to mitigate additional adverse impacts caused by early retirement.[90]

While useful and welcome, these actions are not likely to be gender-transformative unless they are implemented alongside other activities designed to redefine women's and men's gender roles and relations, and the sharing and use of power, resources, and labor.

Given the long time frames involved, holding CEP accountable for implementing any mitigation actions identified in the PJTA (or any future assessments) will be challenging.

Further, the PJTA notes that: "***ADB's just transition approach considers potential impacts across multiple levels—regional, national, subnational, community and asset. This considers the national impacts of fossil fuel transitions, scaled down to the impact of a single asset closure or retirement. At each level, potential financial, economic, institutional, political, gender and social impacts are considered, and affected stakeholders across the supply and value chain are identified. The approach considers the socioeconomic and geographical context for the project, as well as the institutional and regulatory environment within which the project takes place, and how this relates to a just transition. The approach also integrates stakeholder consultation to ensure fair participation particularly from women and other marginalized groups in the assessment and planning process.***"[91]

The PJTA also notes that the Indonesian Government will need to: "***design and implement an approach that accounts for the indirect and induced impacts associated with the retirement of Cirebon 1 power plant as part of a programmatic approach. This is particularly crucial for vulnerable groups (including women) in the local economy and government, as they are most likely to be detrimentally affected first.***"[92] Further, socio-economic assessments will need to "***evaluate the readiness and suitability of the labor force to participate in the transition and identify upskilling needs. This should include integrating specific gender considerations such as enhancing women's participation within previously male-dominated sectors. In the Greater Cirebon region, this will include socioeconomic analysis of the local labor force. This will also assess how gender and inclusion-related stakeholders (such as local women's organizations, CSOs supporting women's rights in just transition, etc.) can be involved.***"[93]

While these sentiments are positive, the long time frames present challenges to holding the ADB and the Government of Indonesia accountable to commitments made in the PJTA.

Does the ETM promote gender equality and women's empowerment?

It is difficult to judge whether the ETM will promote gender equality and women's empowerment based on an assessment of documents on the early retirement of Cirebon 1. This is, in part, because full assessments have not yet been undertaken and the assessments that have been done are not always published in full. In the case of the PJTA, FFA sees no reason why the full PJTA and supporting analysis cannot be published. The balance between protecting commercial sensitivities and ensuring transparency should always tip toward transparency. The accountability of decision-makers to affected people depends on full transparency.

Given that Cirebon 1 will not be retired until 2035, it is not reasonable to expect full assessments or transition plans to be complete. Still, this long time frame will present challenges to holding the ADB, CEP, and the Government of Indonesia accountable for their commitments.

The just transition plan has the potential to promote gender equality and women's empowerment. FFA's assessment of the PJTA summary report and the commitments it makes suggest there is some foundation on which to prepare such a plan, but this will likely not be ready until 2030–2032. The period between now and then, which the PJTA report states will be used for further data collection, assessment and engagement, will be crucial. This period should be used by all stakeholders to ensure the inclusive and meaningful participation of women and other marginalized groups, and local women's organizations and WROs, consistent

with commitments. Future data collection and assessment should also consider issues related to the potential gendered impacts of the closure of Cirebon 1 on health, land rights and land-based livelihoods, unpaid care work, gender-based violence, and energy access, change on gendered power dynamics in the household and community in addition to employment and decent work. The just transition plan should be guided by a commitment to contributing to gender equality and women's empowerment thorough the design and delivery of gender-transformative projects and programs.

Finally, based on the scoping report, the full SESA for the ETM in Indonesia is unlikely to meaningfully assess gender issues. As noted earlier, the SESA scoping report did a poor job of systematically identifying gender issues and, it seems, involved little participation from WROs. A stand-alone gender impact assessment would be a more useful tool to assess gender risks and opportunities arising from the energy transition and implementation of the ETM at the country level and to make recommendations for gender equality and women's empowerment.

Conclusion and recommendations

6

Indonesia is one of several ETM pilot countries, and the early retirement of Cirebon 1 is the first transaction under Indonesia's ETM. It provides a case study of how gender issues related to the early retirement of CFPPs are identified and assessed, and whether the ETM promotes gender equality and women's empowerment. FFA's assessment reveals shortcomings that should be addressed both in relation to Cirebon 1, and as a basis for improving ETM implementation in the other pilot countries.

As noted previously, Indonesia is implementing the ETM alongside the JETP. Each country determines its own just transition pathway based on the local context and priorities. The underlying assumption is that a just transition plan will be developed based on extensive consultation with a wide range of stakeholders, including workers, the business sector, and broader civil society.[94] However, credible concerns have been voiced that Indonesia's JETP has been developed with inadequate public and civil society participation, poor disclosure of information, and limited transparency.[95] This is contrary to Indonesia's just transition framework, which is aimed at ensuring that the just transition process is inclusive, non-discriminatory, equitable, and accountable. Disregard for these important principles is of great concern. Unless rectified, there is a risk that implementation of the JETP – and potentially the ETM and Indonesia's energy transition, more broadly – will not be just. Further, there is a need to ensure the energy transition is built on justice principles, including those promoted by FFA (and contained in the introduction to this working paper).

The following recommendations are designed to strengthen implementation of the ETM so that it promotes gender equality and women's empowerment. Otherwise, the ETM risks entrenching and exacerbating existing gender inequalities.

The recommendations should be implemented alongside initiatives to strengthen energy democracy through small-scale, locally owned, and gender-representative energy systems; to address barriers to women's labor force participation; and to emphasize a rights-based approach and gender-based needs for ecosystem resilience.

Recommendations

For Indonesia and the Cirebon 1 transaction:

- Supplement the SESA of the ETM in Indonesia with a gender impact assessment. It should be translated in local languages, published in full, and involve the active and meaningful participation of women and WROs during the preparation and implementation. The gender impact assessment should be based on gender-disaggregated data that includes clear information on employment and decent work, health, land rights and land-based livelihoods (as well as water rights and water-based livelihoods such as fisheries), unpaid care work, gender-based violence, and energy access.
- Publish the full PJTA and supporting analyses for Cirebon 1 and ensure relevant translations into local languages to make it accessible.
- Develop and implement a clear plan for the inclusive, active, and meaningful participation of women and WROs, civil society, and local community-based organizations. This plan should include a transparent and accountable feedback loop for all future assessments and transition planning processes, and decision-making in implementing the JETP.
- The just transition plan for Cirebon 1 should be guided by a commitment to contributing to gender equality and women's empowerment, including through the design and delivery of gender-transformative projects and programs.
- Accountability frameworks and grievance mechanisms must ensure that the ADB, CEP, and the Government of Indonesia implement all their commitments and to ensure that the closure of Cirebon 1 is a first step towards a truly just energy transition rather than promoting false solutions.

For other countries' ETMs:

- Transition finance should be directed towards the development of renewable and democratized energy systems (including to provide more capacities and financing to meeting gender equality objectives) rather than the asset itself.
- All assessments of the potential risks and opportunities of the ETM for women and men should be equitably based on:
    - the collection and analysis of gender-disaggregated data;
    - a stand-alone gender impact assessment (in addition to tools such as SESA and a just transition assessment); and
    - the inclusive, active, meaningful, and continuous participation of women and WROs as well as relevant CSOs.
- Just transition planning should be guided by a commitment to contribute to gender equality and women's empowerment, including through the design and delivery of gender-transformative projects and programs.

General recommendations to the ADB:

- Future transactions under the ETM should be conditional on the relevant parties not developing or investing in other CFPPs (or other fossil fuel-based energy systems or infrastructure).
- Update the gender toolkit for the energy sector to reflect the ADB's energy transition work program, revising outdated philosophies and including a more contemporary, evidence-based feminist approach to gender-transformative systems, and a strong commitment to ensuring the energy transition contributes towards gender equality and women's empowerment.
- Strengthen gender safeguards in the approved ESF, including to reframe women's role as active participants within the framework of a gender action plan rather than the protectionist attitude of avoiding and protecting their rights.
- Develop and implement a more effective, gender-responsive grievance mechanism that delivers remedy and redress to affected people, including women, men, girls, boys, LGBTQIA+, and non-binary people.
- Improve the environmental and social compliance audits by strengthening gender considerations in the processes, including with regard to the ETM.

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