



Project Summary Information

Date of Document Updating: January 28, 2021

Project Name	PLN East Java & Bali Power Distribution Strengthening Project
Project Number	P000292
AIIB member	Republic of Indonesia
Sector/Subsector	Energy/Electricity transmission and distribution
Status of Financing	Approved
Project Description	<p>The Project will support the implementation of Indonesia's rolling 10-year Electricity Business Plan (RUPTL) (2019-2028) in East Java and Bali, currently under the management of PLN's Java, Madura and Bali Regional Development Directorate (JMB). In line with the region's objectives and targets outlined in the RUPTL, the Project will support PLN's ongoing program to increase access and improve quality of power distribution through infrastructure development.</p> <p>The planned activities under the Project include:</p> <ul style="list-style-type: none"> • Component A: Installation of additional length of medium-voltage (MV) distribution lines. • Component B: Installation of additional length of low-voltage (LV) distribution lines. • Component C: Installation of additional capacity of distribution transformers.
Objective	To Improve access to and quality of power services in East Java and Bali.
Expected Results	<ol style="list-style-type: none"> (1) Distribution interruption (2) Power losses (3) Primary energy consumption saved (4) Reduction in greenhouse gas emissions
Environmental and Social Category	Category B

Environmental and Social Information	<p>AIIB's Environmental and Social Policy (ESP), including the Environmental and Social Exclusion List and Environmental and Social Standard (ESS) 1, are applicable to this Project. ESS 2 on Involuntary Resettlement and ESS 3 on Indigenous Peoples are not applicable as the Project will neither require land acquisition nor result in physical or economic displacement. While Indigenous Peoples may be present in the provinces of Bali and East Java, Project activities are not likely to adversely affect these groups. The Project has been assigned a category B since it has a limited number of potentially adverse environmental and social impacts, none of which are unprecedented or irreversible, and sufficient measures are provided in the Environmental and Social Management Planning Framework (ESMPF) prepared for this Project to successfully manage any potential environment and social risks arising from Project activities, as confirmed by the site visit and review of the environmental and social (E&S) documentation prepared for the Project. The ESMPF, including a translation of the Executive Summary in applicable local languages, are available on PLN's website (https://web.pln.co.id/statics/uploads/2020/11/Disclosed-PLN-ESMPF-AIIB-East-JavaBali-Nov2020.pdf) and AIIB's website (https://www.aiib.org/en/projects/details/2019/proposed/download/Indonesia/Disclosed-PLN-ESMPF-AIIB-East-JavaBali-Nov2020.pdf).</p> <p>Project activities will comprise (a) use of no more than 0.2 m² of land for installation of concrete poles and approximately 4m² for installation of transformers (either in cabinet between two concrete poles or on one pole); (b) limited directional drilling (approx. 200-300m) to run cables under major roads and limited trenching (usually less than 500m) in urban environments, and (c) possible removal of non-land assets (primarily trimming or felling of trees) for stringing of conductors.</p> <p>The ESMPF defines restrictions and provides screening checklists to avoid impacts on critical habitats and protected areas. Potential impacts on avifauna and arboreal fauna; the effects of vegetation clearing; the emissions from combustion engines during construction; disposal of construction, domestic and industrial – in the form of demobilized transformers and transformer oil - and other risks and impacts of the Project are detailed in the ESMPF with corresponding mitigation measures, and will be further developed in regional Environmental and Social Management Plans (ESMPs) addressing location and activity-specific impacts and the corresponding mitigations.</p> <p>PLN will utilize the existing right of way and public lands for the upgrading and expansion of the distribution line. Should use of private land be needed to connect to new private customers, consent of landowners and persons whose non-land assets may be affected will be secured and documented. Engagement with Project-Affected communities and stakeholders at large will take place prior to PLN finalizing its activity planning and mobilizing its contractors for construction activities. Such</p>
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	<p>consultations will be documented. PLN has also put in place a Grievance Redress Mechanism (GRM) that will be open to all Project-Affected People to file inquiries, complaints or grievances related to the activities financed under the Project.</p> <p>AiIB will conduct regular supervision of the implementation of the ESMPF through review of supporting documentation demonstrating implementation of measures associated with the activities financed and field supervision.</p>			
Cost and Financing Plan	Item	Cost (USD million)	Financing (USD million)	
			PLN	AIIB
	Component A: Installation of additional length of medium-voltage (MV) distribution lines	587.08	436.08	151.00
	Component B: Installation of additional length of low-voltage (LV) distribution lines	224.24	166.56	57.68
	Component C: Installation of additional capacity of distribution transformers	393.92	292.60	101.32
Total Cost	1,205.23	895.23	310.00	
Borrower	PT Perusahaan Listrik Negara (Persero)			
Guarantor	Republic of Indonesia			
Estimated date of loan closing	June 2026			
Contact Points:	AIIB	Borrower		
Name	Ziwei Liao	Muhammad Ikbal Nur		
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Date of Concept Decision	July 2019			
Date of Appraisal Decision	February 2020			
Date of Financing Approval	January 28, 2021			

Independent Accountability Mechanism	<p>The Project-affected People’s Mechanism (PPM) has been established by the AIIB to provide an opportunity for an independent and impartial review of submissions from Project-affected people who believe they have been or are likely to be adversely affected by AIIB’s failure to implement its Environmental and Social Policy in situations when their concerns cannot be addressed satisfactorily through Project-level Grievance Redress Mechanisms or AIIB Management’s processes.</p> <p>Information about the PPM is available at https://www.aiib.org/en/policies-strategies/operational-policies/policy-on-the-project-affected-mechanism.html.</p>
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