



### Project Summary Information

Date of Document: July 29, 2021

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| <b>Project Name</b>                      | Development of Pumped Storage Hydropower in Java Bali System (the Project)   |
| <b>Project Number</b>                    | P000512  |
| <b>AIIB member</b>                       | Republic of Indonesia  |
| <b>Sector/Subsector</b>                  | Energy/Large Hydro Generation  |
| <b>Status of Financing</b>               | Under Preparation  |
| <b>Project Description</b>               | <p>The Project will support PLN's development of the Upper Cisokan Pumped Storage (UCPS) Hydropower Plant, including its environmental and social impact management, implementation, and monitoring, as well as capacity building for PLN in hydropower project preparation and management. World Bank (WB) is the leading bank and will co-finance with AIIB.</p> <p>The Project consists of three components:</p> <ol style="list-style-type: none"> <li>1. Component 1 – development of the UCPS plant</li> <li>2. Component 2 – environmental and social impact management for the UCPS plant</li> <li>3. Component 3 – technical assistance and capacity building for PLN.</li> </ol> |
| <b>Objective</b>                         | The objective is to support Indonesia's energy transition and decarbonization goal by (i) developing the first large-scale pumped storage hydropower to improve power generation peaking and storage capacity of the Java-Bali grid and (ii) strengthening PLN's capacity for hydropower development and management.   |
| <b>Expected Results</b>                  | The result of the Project will be measured by (i) increase in peaking capacity (MW), (ii) increase in the power storage capacity (GWh), (iii) reduction of greenhouse gas emission (MtCO <sub>2</sub> e), and (iv) satisfactory implementation of the Environmental and Social Management Plan.  |
| <b>Environmental and Social Category</b> | WB has categorized the environmental and social (ES) risks of this project as "High", which is equivalent to Category A if AIIB's Environmental and Social Policy (ESP) were applicable.   |

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| <b>Environmental and Social Information</b> | <p>WB is a lead co-financier, and the Project's ES risks and impacts have been assessed in accordance with WB's Environmental and Social Framework (ESF). To ensure a harmonized approach to addressing the ES risks and impacts of the Project, and as permitted under AIIB's ESP, WB ESF will apply to the Project in lieu of AIIB's ESP. AIIB has reviewed WB ESF and is satisfied that: (a) it is consistent with AIIB's Articles of Agreement and materially consistent with the provisions of AIIB's ESP, including the Environmental and Social Exclusion List and the relevant Environmental and Social Standards; and (b) the monitoring procedures in place that are appropriate for the Project.</p> <p>Potential environmental impacts of UCPS plant are wide ranging and significant. Permanent changes in hydrological regime &amp; land use, dam safety risk, occupational &amp; community health, and safety risks result in residual impacts which are long term, permanent and irreversible. The key impacts include (i) potential loss of habitats &amp; loss of key species of conservation concern; (ii) temporary downstream river impacts (sediment discharge from construction affecting water quality &amp; stream bed patterns); (iii) changes in hydrological regime in Cisokan River; (iv) long term changes to erosion &amp; deposition patterns downstream Cisokan River due to reduced sediment load during operation; (v) construction work that will bring potentially significant negative impacts on communities (sediment runoff, fugitive dust, increased noise, increased traffic, pedestrian &amp; road safety risks, and increased wastes from construction camps); and (vi) dam safety risks, property, and ecosystem services. Specific mitigation measures to manage these impacts (e.g., Biodiversity Management Plan and Integrated Water Catchment Management) have been prepared. They will require requisite expertise for proper implementation.</p> <p>On the social aspects of the project, the Land Acquisition and Resettlement Action Plans (LARAP) have been implemented by PLN and supervised by WB. The total number of households affected by land acquisition is 2,063, including 765 households who were physically resettled. The compensation payment and the livelihood assistance activities were completed for the 98.65% of land. The review of implementation of the LARAP identifies pending tasks and issues to be addressed, the resolution of which will require more time for investigation, planning and consultation with communities and local administration and will be undertaken during project implementation as reflected in the Environment and Social Commitment Plan (ESCP). In addition, a Land Acquisition and Resettlement Framework (LARF) has been prepared to guide resettlement planning to address any unexpected additional land acquisition and resettlement needs, particularly during construction.</p> <p>Stakeholder engagement for UCPS started in 2009 under the previous WB loan and continued at different stages of the</p> |
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|  | <p>Project in the past decade. In the preparation of the proposed Project, PLN carried out extensive stakeholder consultations to inform the public of the project planning status and collect their feedback for the updating and development of Project ES plans. PLN has developed a Stakeholder Engagement Plan (SEP), and two Grievance Redress Mechanisms: one for the Project and the other specifically for Project workers.</p> <p>The ES documents in English and summary in Bahasa, as appropriate, have been disclosed by PLN on its website<sup>1</sup>. These documents have also been disclosed on WB's website<sup>2</sup>, and AIIB's website will include links to these disclosures.</p>  |                              |            |            |  |      |                            |                              |  |  |      |    |     |  |       |                        |     |     |  |    |   |   |    |   |    |   |    |   |                           |              |                  |            |            |
|--|--|------------------------------|------------|------------|--|------|----------------------------|------------------------------|--|--|------|----|-----|--|-------|------------------------|-----|-----|--|----|---|---|----|---|----|---|----|---|---------------------------|--------------|------------------|------------|------------|
| <b>Cost and Financing Plan</b>   | <table border="1" data-bbox="488 587 2074 906"> <thead> <tr> <th data-bbox="488 587 1234 667" rowspan="2">Item</th> <th data-bbox="1234 587 1473 667" rowspan="2">Project Cost (USD million)</th> <th colspan="3" data-bbox="1473 587 2074 624">Financing Plan (USD million)</th> </tr> <tr> <th data-bbox="1473 624 1675 667">AIIB</th> <th data-bbox="1675 624 1877 667">WB</th> <th data-bbox="1877 624 2074 667">PLN</th> </tr> </thead> <tbody> <tr> <td data-bbox="488 667 1234 703">Component 1: Development of the UCPS plant</td> <td data-bbox="1234 667 1473 703">[673]</td> <td data-bbox="1473 667 1675 703">[230-250]<sup>3</sup></td> <td data-bbox="1675 667 1877 703">333</td> <td data-bbox="1877 667 2074 703">110</td> </tr> <tr> <td data-bbox="488 703 1234 783">Component 2: Environmental and social impact management for the UCPS plant</td> <td data-bbox="1234 703 1473 783">40</td> <td data-bbox="1473 703 1675 783">-</td> <td data-bbox="1675 703 1877 783">5</td> <td data-bbox="1877 703 2074 783">35</td> </tr> <tr> <td data-bbox="488 783 1234 863">Component 3: Technical assistance and capacity building for PLN</td> <td data-bbox="1234 783 1473 863">42</td> <td data-bbox="1473 783 1675 863">-</td> <td data-bbox="1675 783 1877 863">42</td> <td data-bbox="1877 783 2074 863">-</td> </tr> <tr> <td data-bbox="488 863 1234 906"><b>Total Project Cost</b></td> <td data-bbox="1234 863 1473 906"><b>[755]</b></td> <td data-bbox="1473 863 1675 906"><b>[230-250]</b></td> <td data-bbox="1675 863 1877 906"><b>380</b></td> <td data-bbox="1877 863 2074 906"><b>145</b></td> </tr> </tbody> </table> |                              |            |            |  | Item | Project Cost (USD million) | Financing Plan (USD million) |  |  | AIIB | WB | PLN | Component 1: Development of the UCPS plant | [673] | [230-250] <sup>3</sup> | 333 | 110 | Component 2: Environmental and social impact management for the UCPS plant | 40 | - | 5 | 35 | Component 3: Technical assistance and capacity building for PLN | 42 | - | 42 | - | <b>Total Project Cost</b> | <b>[755]</b> | <b>[230-250]</b> | <b>380</b> | <b>145</b> |
| Item   | Project Cost (USD million)   | Financing Plan (USD million) |            |            |  |      |                            |                              |  |  |      |    |     |  |       |                        |     |     |  |    |   |   |    |   |    |   |    |   |                           |              |                  |            |            |
|  |  | AIIB                         | WB         | PLN        |  |      |                            |                              |  |  |      |    |     |  |       |                        |     |     |  |    |   |   |    |   |    |   |    |   |                           |              |                  |            |            |
| Component 1: Development of the UCPS plant                                 | [673]  | [230-250] <sup>3</sup>       | 333        | 110        |  |      |                            |                              |  |  |      |    |     |  |       |                        |     |     |  |    |   |   |    |   |    |   |    |   |                           |              |                  |            |            |
| Component 2: Environmental and social impact management for the UCPS plant | 40   | -                            | 5          | 35         |  |      |                            |                              |  |  |      |    |     |  |       |                        |     |     |  |    |   |   |    |   |    |   |    |   |                           |              |                  |            |            |
| Component 3: Technical assistance and capacity building for PLN            | 42   | -                            | 42         | -          |  |      |                            |                              |  |  |      |    |     |  |       |                        |     |     |  |    |   |   |    |   |    |   |    |   |                           |              |                  |            |            |
| <b>Total Project Cost</b>  | <b>[755]</b>   | <b>[230-250]</b>             | <b>380</b> | <b>145</b> |  |      |                            |                              |  |  |      |    |     |  |       |                        |     |     |  |    |   |   |    |   |    |   |    |   |                           |              |                  |            |            |
| <b>Borrower</b>  | Republic of Indonesia  |                              |            |            |  |      |                            |                              |  |  |      |    |     |  |       |                        |     |     |  |    |   |   |    |   |    |   |    |   |                           |              |                  |            |            |
| <b>Implementing Entity</b>   | PT Perusahaan Listrik Negara (Persero) (PLN)   |                              |            |            |  |      |                            |                              |  |  |      |    |     |  |       |                        |     |     |  |    |   |   |    |   |    |   |    |   |                           |              |                  |            |            |

<sup>1</sup> <https://web.pln.co.id/stakeholder/plta-upper-cisokan-pumped-storage>

<sup>2</sup> <https://projects.worldbank.org/en/projects-operations/document-detail/P172256?type=projects>

<sup>3</sup> The size of the AIIB loan will be finalized before the Appraisal Review.

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| <b>Estimated date of loan closing</b>       | June 2028                                   |                                 |   |                                |
| <b>Contact Points:</b>                      | <b>AIIB</b>                                 | <b>World Bank</b>               | <b>Borrower</b>   | <b>PLN</b>                     |
| <b>Name</b>                                 | Ziwei Liao                                  | Stephan Claude Frederic Garnier | Luky Alfirman   | Evy Haryadi                    |
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| <b>Date of Concept Decision</b>             | July 28, 2021                               |                                 |   |                                |
| <b>Estimated Date of Appraisal Decision</b> | September 2021                              |                                 |   |                                |
| <b>Estimated Date of Financing Approval</b> | Q4 2021                                     |                                 |   |                                |

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| <b>Independent Accountability Mechanism</b> | <p>WB's ESF will apply to this project instead of AIIB's ESP. Pursuant to AIIB's agreement with WB, WB's ESF will apply to this Project instead of AIIB's ESP. WB's corporate Grievance Redress Service (GRS) and its Independent Accountability Mechanism, the Inspection Panel, which reviews WB's compliance with its policies and procedures, will handle complaints relating to ES issues that may arise under the Project. In accordance with AIIB's Policy on the Project affected People's Mechanism (PPM), submissions to the PPM under this Project will not be eligible for consideration by the PPM. Information on WB's corporate GRS is available at <a href="http://www.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service">http://www.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service</a>. Information on WB's Inspection Panel is available at <a href="http://www.inspectionpanel.org">http://www.inspectionpanel.org</a>.</p> |
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