



Project Summary Information

Date of Document Preparation: 09/30/25	
Project Name	Proyek Hijaunesia Staple Financing – Gajahmungkur 100 MW Floating Solar PV Project
Project Number	P000995
AIIB member	Indonesia
Sector/Subsector	Energy / Renewable energy generation (Solar)
Alignment with AIIB's thematic priorities	Green infrastructure; Private Capital Mobilization
Status of Financing	Under Preparation
Objective	The objective of the Project is to contribute to Indonesia's renewable energy capacity and decarbonization goals by supporting the installation and operationalization of a 100-megawatt greenfield utility-scale floating solar photovoltaic project.
Project Description	The Project involves the development, construction, operation, and maintenance on a Build-Own-Operate basis of a greenfield floating solar photovoltaic power plant with a capacity of 100-megawatts, located in Gajah Mungkur Reservoir Wonogiri Regency, Central Java Province, Indonesia.
Expected Results	The expected results of the Project will be measured through (i) annual generation of renewable energy (GWh per year) and (ii) greenhouse gas emission avoidance (thousand tons of CO2 equivalent per year).
Environmental and Social Category	A
Environmental and Social Information	Applicable Policy and Categorization. The Project will be co-financed with the Asian Development Bank (ADB) as the lead co-financier. To ensure a harmonized approach to addressing the environmental and social (ES) risks and impacts of the Project, and as permitted under AIIB's Environmental and Social Policy (ESP), ADB's SPS will apply to the Project in lieu of AIIB's ESP alongside national legislation and good international practices. AIIB has reviewed ADB's SPS and is satisfied with the fact 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 (ESEL) and the relevant Environmental and Social Standards (ESSs); and (b) the monitoring procedures that are in place are appropriate for the Project. ADB has categorized the ES risks of the Project in Gajahmungkur as Category B for Environment, A for Involuntary Resettlement since the impacts of resettlement are significant and C for Indigenous Peoples since there is no presence of IPs in the Project area. This categorization is equivalent to Category A if AIIB's ESP were to be applied.

Environmental and Social Instruments. An Environmental and Social Impact Assessment (ESIA) including an Environmental and Social Management Plan (ESMP), a Land Acquisition and Livelihood Restoration Plan (LALRP) have been prepared. These instruments provide detailed ES risks and impacts, environmental and social management measures, and monitoring commitments required for Project implementation. The lead Sponsor, PT PLN Indonesia Power Renewables (PLN IP), as a subsidiary of Perusahaan Listrik Negara (Persero) (PLN), has extensive experience in implementing other high-risk infrastructure projects financed by Multilateral Development Banks and Development Finance Institutions across Indonesia. An assessment of PLN IP's capacity in managing ES risks and impacts in solar PV projects will be further conducted during ESIA finalization and Final Review. The draft ES instruments have been consulted with relevant stakeholders and are disclosed here¹ and on AIIB's website to meet the early disclosure requirement of AIIB ESP. In addition, the Environmental and Social Action Plan (ESAP) is being finalized with the Borrower to be part of the Finance Documents which will consist of important commitment in terms of actions, timing and resources to fulfill ESIA/ESMP recommendation.

Environmental Aspects. The Project is expected to generate positive environmental and social outcomes from the construction of a renewable source of energy generation. Implementation of physical investments, however, may cause a wide range of risks and impacts on the environment and human health during the construction and operation phases. During the construction stage, various activities such as land preparation and installation of solar panels can have adverse environmental impacts. These include air quality impacts due to dust and pollutant emissions from vehicles and equipment, noise pollution and vibration impacts, from construction activities, soil contamination from the use of heavy equipment, runoff, and soil erosion leading to water quality impacts, and potential loss of habitat and species due to land clearing and traffic congestion and deterioration of road due to heavy traffic movement. These impacts have been assessed, and mitigation measures are proposed in the ESIA/ESMP for the Project. During the operation stage, key environmental impacts include potential impact to surface water quality, environmental health, and ecosystem services such as important provisioning services due to competition of various uses of natural resources, and impacts on biodiversity such as avian fauna mortality due to collision and/or electrocution on overhead power transmission lines, and disruption of wildlife movement and/or migrations due to barrier effect of solar PV arrays, as well as impacts to reservoir hydrology and aquatic ecology. Mitigation measures have also been proposed in the ESIA/ESMP to address these impacts such as development and implementation of management plans on waste management, water quality/ fisheries management, and biodiversity management that is required for the conduct of supplemental baseline studies on and monitoring of fish behavior and overall reservoir dynamics, and post-construction fatality monitoring of avian fauna during the commissioning and operation of the Project to review the current risk and impact, ensuring provision of buffer between Project footprint and nearby existing wildlife corridor, if any, and consideration of potential environmental impacts in selecting preferred technology and finalizing detailed design.

¹ <https://www.adb.org/projects/59069-001/main>

Social Aspects. Key social risks and impacts are land acquisition and economic displacement of farmers/local communities in the Project footprints. It is estimated that the Project will affect 178 households (634 people). Of these, 77 households (276 people) are assessed as severely affected due to their loss of more than 10 percent of their assets/income. The Project will acquire 352.83 hectares of land, but no physical displacement or relocation is expected as the Project owner commits to avoid physical displacement impact. While lands/reservoirs intended for ground mounted solar and floating power plants are available for construction, some of them are under concession arrangements within government agencies and are being used by some land users for agricultural purposes. Acquiring some of these lands/reservoirs will require some inter-government agencies' leasing arrangements and will lead some existing land users, including laborers, farmers/agricultural workers, and fishermen to lose some livelihoods and incomes. Construction of transmission towers will lead affected farmers to lose some agricultural lands and some assets within the footprints of transmission towers. Likewise, construction of the transmission line/access roads will cause farmers along the right-of-way to lose some income, due to some restriction on their agricultural land use. During the installation and the operation phase of the Project, local fishermen will experience temporary and permanent access restrictions to reservoir for fish collection, which is their main source of livelihood. The draft LALRP following the government's relevant legislation and ADB's SPS (2009) are available. The draft LALRP will be reviewed by AIIB and ADB to ensure their compliance with ADB's SPS, followed by public disclosure of the documents for consultation with affected people.

Gender Aspects. Gender has been integrated into the Project through different measures. Firstly, gender assessments were conducted at all sub-project locations as part of the ESIA's that include identification of female vulnerable groups. Based on the assessments, various measures have been introduced for the Borrower to include in their corporate social responsibility programs. Secondly, gender is mainstreamed into all aspects of ES risks and impacts assessment and management with specific measures for women being introduced in the ESMPs and LALRPs. Potential risks related to sexual exploitation and abuse and sexual harassment (SEA/SH) were also assessed and measures are put in place to mitigate the risks including employment of local workers within communities, provision of training to construction workers and staff, ensuring safe worker accommodation and toilets for men and women.

Occupational Health and Safety, Labor and Working Conditions. The Project may also have potential occupational health and safety (OHS) risks as the construction and operation of the Project may include potential electrical hazards during the installation and energizing (commissioning) of solar panels and related electrical infrastructure. Further, bodily harm may result in the improper manual handling of heavy solar panels for optimal positioning on mounting structures, exposure to chemical hazards such as adhesives and sealants, and fire hazards when working with battery storage system, along with safety aspects of using heavy equipment for land clearance for Project site and access roads as well as poor living conditions in the workers' camp if not properly located and constructed. These risks have been assessed as part of the ESIA, and mitigation measures have been included in the site specific ESMPs. In addition, AIIB and ADB will review the Borrower's supply chain management and procurement procedures for solar photovoltaic modules to determine the adequacy of the supply chain management system.

	<p>Stakeholder Engagement, Consultations, and Information Disclosure. AIIB and ADB will review the adequacy of the stakeholder engagement process conducted as part of the ESIA process. The review will also ensure that the project-affected people have been effectively engaged through the disclosure of information related to Project's ES risks and impacts, and the meaningful consultations. As the Project is classified as Category A if AIIB's ESP were to be applied, the Bank will coordinate with ADB in aligning the ES documents' disclosure timelines for Category A Projects prior to Project Approval.</p> <p>Project Grievance Redress Mechanism (GRM) and Monitoring Arrangement. A Project-level GRM has been established to ensure that any concerns from affected people are addressed promptly and transparently. During the Final Review process, the Project Team will work with ADB and the Borrower to assess the status of the Project-level GRM, including GRM for workers to align with ADB Policy requirements. In information of established GRM including the information of the Bank's Project-affected People's Mechanism (PPM) will be disclosed timely in an appropriate manner. In addition, more details on ES monitoring and reporting arrangements will be discussed and determined with ADB and the Borrower, which will be reflected in the updated PSI.</p>			
Cost and Financing Plan	The total Project cost is USD96 million, of which the proposed AIIB loan is USD19 million. The remaining Project costs will be funded by the Sponsors and/or other financial institutions including ADB.			
Borrower	Special Purpose Vehicle to be established			
Sponsors	PT PLN Indonesia Power Renewables and GCL Intelligent Energy (Suzhou) Co., Ltd.			
Estimated date of last disbursement (NSBF)	Q2 2027			
Contact Points:	AIIB			PLN IP
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Date of Concept Decision	November 13, 2024			
Estimated Date of Appraisal Decision	Q4 2025			

Estimated Date of Financing Approval	Q4 2025
Independent Accountability Mechanism	AIIB's policy on the Project-affected People's Mechanism (PPM) applies to the Project. The 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 ESP in situations when their concerns cannot be addressed satisfactorily through Project-level GRMs or AIIB Management's processes. Information on AIIB's PPM is available at: https://www.aiib.org/en/about-aiib/who-we-are/project-affected-peoples-mechanism/how-we-assist-you/index.html .