Project Summary Information

	Date of Document Preparation: 07/15/26
Project Name	Proyek Hijaunesia Staple Financing – Banyuwangi 100 MW Solar PV Project
Project Number	P000994
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 MW greenfield utility-scale solar PV project.
Project Description	The Project involves the development, construction, operation, and maintenance of a greenfield ground-mounted solar photovoltaic power plant with a capacity of 100-megawatts, located in Banyuwangi, East 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	B
Environmental and Social Information	**Applicable Policy and Categorization**. AIIB's Environmental and Social Policy (ESP), including the Environmental and Social Standard (ESS) 1 (Environmental and Social Assessment and Management) and ESS 2 (Involuntary Resettlement), and Environmental and Social Exclusion List (ESEL) apply to this Project. This Project has been categorized as Category B, mainly due to economic displacement impacts on sugarcane workers and local communities, and some environmental impacts due to construction and operations related activities. The Project's environmental and social (ES) risks and impacts have been assessed in accordance with AIIB's ESP and requirements alongside national legislation and good international practices. The Project activities would result in ES impacts which are site-specific and can be minimized and managed through application of mitigation measures.

	Environmental and Social Instruments. An Environmental and Social Impact Assessment (ESIA) including an Environmental and Social Management Plan (ESMP) and a Land Acquisition and Livelihood Restoration Plan (LALRP) have been prepared. These instruments provide detailed ES risks and impacts, ES management measures, and monitoring commitments required for Project implementation. The ESIAs/ESMPs and LALRP have been consulted with relevant stakeholders and are disclosed to meet the early disclosure requirement of AIIB ESP. The Sponsor, PT Indonesia Power Renewables (PLN IP RE) as a subsidiary of Perusahaan Listrik Negara (PLN) has extensive experience in implementing other high-risk infrastructure projects financed by multilateral development banks (MDBs). In addition, the Environmental and Social Action Plan (ESAP) is being finalized with the Borrower to be part of the financing agreement which consists of important commitments in terms of actions, timing, and resources to fulfill ESIA/ESMP recommendations. **Environmental Aspects**. The Project is expected to deliver positive ES outcomes through the development of renewable energy infrastructure. However, during the construction stage, various activities such as mobilization of heavy equipment and parts, land preparation, and installation of solar panels, etc., can have adverse environmental impacts. These include air quality impacts, noise pollution, vibration impacts, soil contamination from the use of heavy equipment, land clearing during construction and traffic congestion, and deterioration of road due to heavy traffic movement. During the operation stage, key environmental impacts include wastewater discharge, environmental health, and the impacts on biodiversity such as avian fauna mortality due to collision and/or electrocution on overhead power transmission lines. Through the ESIA process, the identified environmental impacts have been assessed ranging from minor to moderate adverse significance. Biodiversity assessments, including a Critical Habitat Assessment, confirmed that no internationally or nationally recognized important biodiversity areas overlap with the Project footprint and no Critical Habitat is present within the Project and Project's area of influence. The identified impacts will be managed through targeted mitigation, management, and monitoring measures set out in the ESIA, ESMP, and ESAP. **Social Aspects.** Key social risks and impacts include land acquisition and the economic displacement of farmers and local communities within the Project footprint. No physical displacement or relocation is expected, as the Project owner is committed to avoiding and minimizing resettlement and physical displacement impacts by selecting land owned by government agencies for construction. However, the Project scope also includes the construction of transmission lines, towers, an extension bay, and a gantry, which will result in the economic displacement of 158 households. Of these, 84 households are private landowners, and 74 households are sharecroppers, tenants, farmers, and sugarcane workers. For the acquisition of private land, the Project will adopt a negotiated settlement approach, with detailed procedures outlined in the LALRP, consistent with the ESF and good practice. In addition, a gender assessment was conducted at the Project site as part of the ESIA, including the identification of female vulnerable groups. Based on the assessment, various measures have been introduced for the Borrower to incorporate into its corporate social responsibility programs. Potential risks related to sexual exploitation and abuse and sexual harassment (SEA/SH) have also been assessed for the Project location, and

	mitigation measures have been put in place, including the employment of local workers and the provision of safe worker accommodation and separate facilities for men and women. **Occupational Health and Safety (OHS), Labor and Working Conditions.** The Project may also have potential 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 of the Project and mitigation measures have been included in the ESMPs. **Stakeholder Engagement, Consultations, and Information Disclosure.** AIIB has reviewed the adequacy of the stakeholder engagement process conducted as part of the ESIA process. The SEP will be updated and revised periodically in the course of the Project life cycle. The ESIA/ESMP and LALRP have been consulted with the relevant stakeholders, and their feedback has been addressed through the updated documents. The ESIA/ESMP and LALRP are disclosed in English, with an executive summary provided in the local language. These documents have been published on the PLN IP[1] and AIIB's websites to meet AIIB's disclosure requirements. **Project Grievance Redress Mechanism and Monitoring Arrangement**. The Project has established a GRM to support accessible, transparent, and timely resolution of community concerns, and grievances. As part of ESAP, the Borrower will hire a Lenders ES Advisor (LESA) during construction and the first two years of operations. It is anticipated that during project implementation, the LESA will ensure the agreed ESMP and ESAP recommendations and commitments are fully adhered to and implemented. The Borrower will submit semi-annual ES monitoring reports to the Lenders and AIIB covering implementation progress of the ESMP and LALRP, findings from internal and external monitoring, the status of the GRM, and the effectiveness of livelihood restoration measures. AIIB's ES Specialists will continue to monitor Project implementation and conduct further site visits for future project monitoring.
Cost and Financing Plan	The total Project cost is USD101 million, of which the proposed AIIB loan is USD21 million. The remaining Project costs will be funded by the Sponsors and/or other financial institutions.
Borrower	PT Hijaunesia GCL Banyuwangi
Sponsors	PT PLN Indonesia Power Renewables and GCL Intelligent Energy (Suzhou) Co. Ltd.

[1] https://www.plnindonesiapower.co.id/sustainability/environment-management

Estimated date of last disbursement (NSBF)	Q4 2027		
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Date of Concept Decision	November 13, 2024		
Estimated Date of Appraisal Decision	Q4 2026		
Estimated Date of Financing Approval	Q4 2026		

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