



Project Summary Information

Date of Document Preparation: 07/15/26	
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 MW greenfield utility-scale floating solar PV project.
Project Description	The Project involves the development, construction, operation, and maintenance of a greenfield floating solar photovoltaic power plant with a capacity of 100-megawatts, located in Gajahmungkur 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. 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 the Environmental and Social Exclusion List (ESEL) apply to this Project. The Project has been categorized as Category A, mainly due to significant land acquisition and economic displacement impacts on local communities. 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. ES instruments prepared to manage ES risks and impacts include an Environmental and Social Impact Assessment (ESIA), an Environmental and Social Management Plan (ESMP), and a Land Acquisition and Livelihood Restoration Plan (LALRP). These instruments provide detailed ES risks and impacts, ES

management measures, and monitoring commitments required for Project implementation. The Sponsor, PLN 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 area, located in Central Java Province, comprises predominantly modified habitats, including agricultural land, shrubland, plantations, reservoir areas, and settlements. The floating solar PV module will be installed in an existing dam reservoir, which will occupy only 2.9% of the 8,800-hectare water surface of the Gajahmungkur Reservoir. It is expected that the Project will deliver positive ES outcomes through the development of renewable energy infrastructure. However, the construction and operation of the facilities may generate a range of environmental and human health risks. During construction, potential impacts include dust and air emissions, noise and vibration, soil contamination, erosion and sediment runoff affecting water quality, habitat disturbance from land clearing, and traffic-related impacts such as road deterioration and congestion, including water navigation. During operation, key risks include surface water quality impacts from solar panel cleaning activities, potential leachate from floating components, waste generation, competition for reservoir ecosystem services, impacts on reservoir hydrology and aquatic ecology, particularly on fish population, and avian mortality risks from collisions or electrocution on overhead transmission lines. Through the ESIA process, which involved environmental baseline sampling, aquatic and terrestrial biodiversity surveys, bird surveys, Critical Habitat analysis, cumulative impact assessment, and dam safety assessment, the identified environmental impacts have been assessed as ranging from minor to major adverse significance. In addition, as assessed against ESS 1 using quarterly dam safety evaluations by the reservoir authority, the Gajahmungkur Reservoir remains in a satisfactory and stable condition. Biodiversity assessments, including a Critical Habitat Assessment, confirmed that no Critical Habitat is present within the Project's area of influence, and no internationally or nationally recognized important biodiversity areas overlap with the Project footprint. The identified impacts will be managed through targeted mitigation, management and monitoring measures set out in the ESIA, ESMP, and ESAP.

Social and Gender Aspects. Key social risks and impacts are land acquisition and economic displacement of farmers/local communities in the Project footprints. No physical displacement or relocation is expected as the Project owner commits to avoid and minimize resettlement and physical displacement impact by choosing land/reservoirs for construction that are owned by the government agencies under concession arrangements. However, the Project scope also includes construction of 35 transmission tower footings, the plant switchyard and widened access roads. This will result in economic displacement of 403 households, of which 120 AHs are private landowners, 283 AHs are state-owned land users (i.e., farmers, sharecroppers and renters). For the land acquisition of private land, the Project will adopt a negotiated settlement as an approach, for which detailed procedures are outlined in the LALRP, consistent with the ESF and good practices. The ESIA confirms that the installation and operation of the floating solar PV facility will not result in a loss of fish populations that would affect local seasonal fisher folks. However, fisher folks may experience economic displacement due to the need to

	operate in alternative fishing grounds, thereby incurring higher operating costs. Despite this, prior to installation of the floating solar PV facility, an ecological baseline survey will be conducted to monitor potential ecological impacts on fish populations, and a full census of all active fisher folk, together with an assessment of impacts on them, will also be undertaken. A livelihood restoration plan, as part of the LALRP, has been prepared to address any impact on fisher folks should ecological monitoring confirm such impacts. Gender has been integrated into the Project through different measures. In addition, risks related to SEA/SH were 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 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 solar power plant include safety hazards associated with working over or near water, working at height, as well as electrical hazards during the installation and energizing (commissioning) of solar panels and related electrical infrastructure. Further, bodily harm may result from 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, 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. Stakeholder Engagement, Consultations, and Information Disclosure. AIIB has reviewed the adequacy of 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 review focused on the effectiveness of PAP engagement through the disclosure of information related to Project's ES risks and impacts, and meaningful consultation. 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 IP¹ and AIIB's websites to meet AIIB's disclosure requirements. Project Grievance Redress Mechanism (GRM) and Monitoring Arrangement. A project-level Grievance Redress Mechanism (GRM) has been established to address any concerns from affected persons promptly and transparently. 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.
--	--

¹ <https://www.plnindonesiapower.co.id/sustainability/environment-management>

Cost and Financing Plan	The total Project cost is USD102 million, of which the proposed AIIB loan is USD21 million. The remaining Project costs will be funded by the Sponsors and other financial institutions.		
Borrower	PT Hijaunesia GCL Gajahmungkur		
Sponsor	PT PLN Indonesia Power Renewables, GCL Intelligent Energy (Suzhou) Co. Ltd., and Perusahaan Umum Jasa Tirta I		
Estimated date of last disbursement (NSBF)	Q4 2027		
Contact Points:	AIIB	Sponsor	
Name	Geoffrey Leonard	Dong Mei	Yudianto Permono
Title	Investment Officer	Investment Officer	Vice President of Generation Business Development, PLN IP
Email Address	geoffrey.leonard@aiib.org	dong.mei@aiib.org	yudianto.permono@plnindonesiapower.co.id
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
---	---