



Project Summary Information

Date of Document Preparation: 15/09/26	
Project Name	Indonesia's Green Transition and Climate-Resilient Economic Development Program (Subprogram 1)
Project Number	P001145
AIIB member	Indonesia
Sector/Subsector	Multisector
Alignment with AIIB's thematic priorities	Green Infrastructure
Status of Financing	Under preparation
Objective	The Program's development objective is to support Indonesia's transition towards a low-carbon and climate-resilient economy through policy and institutional reforms that (i) strengthen the enabling policy environment for climate investment, (ii) accelerate a low carbon transition in high emitting sectors, and (iii) enhance the resilience of marine, coastal, and wetland ecosystems.
Project Description	The Program proposes policy actions across three reform areas to support the implementation of Indonesia's Long-Term Strategy for Low Carbon and Climate Resilience (LTS-LCCR 2050). The Program addresses key policy, institutional, and investment constraints that limit Indonesia's transition to a low-carbon and climate-resilient economy. Consistent with the Program Development Objective, the policy actions are organized around three mutually reinforcing reform areas: Reform Area 1: Enabling an Investment-Conducive Environment for Accelerated Climate Action focuses on strengthening climate governance, sustainable finance, carbon market development, and infrastructure project facilitation to improve the enabling environment for climate investment. Reform Area 2: Accelerating Climate Mitigation through Clean Energy and Emission Control supports emissions reductions in high-emitting sectors through reforms that promote clean energy, low-carbon fuels, waste-to-energy solutions, and cleaner technologies.

	Reform Area 3: Enhancing Climate Resilience of Marine, Coastal, and Wetland Ecosystems While Fostering a Low-Carbon Transition strengthens the policy and institutional frameworks for ecosystem-based adaptation, and integrated coastal management.
Expected Results	The Program is expected to strengthen climate governance, improve conditions for public and private investment, support emissions reductions, and enhance climate resilience, thereby advancing Indonesia's transition to a low-carbon and climate-resilient economy.
Environmental and Social Category	Not applicable
Environmental and Social Information	Applicable Policy and Environmental and Social Instrument. AIIB's Environmental and Social Policy (ESP), including the Environmental and Social Exclusion List (ESEL) and the provisions related to Climate Policy-based Financing (CPBF) set forth in Section 16 of the ESP, is applicable to all three (3) reform areas of this Program. Therefore, the provisions on Environmental and Social (ES) categorization in the ESP do not apply to this Program. The Program supports policy and institutional reforms and does not finance physical investments. The seven Prior Actions (PAs) are therefore not expected to cause direct ES impacts, involuntary resettlement, or impacts on Indigenous Peoples. However, possible future activities or investments influenced by the reforms may give rise to indirect adverse impacts. The assessment of likely ES effects is summarized in an ES analysis matrix, which identifies the likely positive, neutral and adverse effects of each of seven PAs and relevant elements of Indonesia's systems for managing such effects. The final ES analysis matrix will be disclosed here by the Bank before approval of the Program. Environmental and Social Aspects. The Program supports Indonesia's transition toward a low-carbon and climate-resilient economy through policy and institutional reforms and does not finance physical investments. The supported PAs are therefore not expected to generate direct ES impacts. Any likely adverse effects are expected to be indirect and implementation-dependent, arising through subsequent policies, programs, or investments influenced by the reforms. Potential indirect ES effects are primarily associated with future downstream investments facilitated by the reforms. These may include construction-related impacts on air and water quality, noise and vibration, biodiversity, traffic, occupational and community health and safety, land use, resource access and livelihoods. The ES analysis found that most PAs are expected to generate positive or neutral environmental outcomes over the medium to long term, including improved climate governance, cleaner and more reliable energy services, improved waste management and environmental quality, and strengthened resilience of vulnerable communities. Other potential social considerations include distributional, and affordability effects associated with climate and energy policies, labor and livelihood transitions, stakeholder participation and benefit-sharing, and possible exclusion of women, vulnerable groups and SMEs from emerging climate-related opportunities. These effects are expected to be indirect and context-dependent, with their significance depending on future

	implementation decisions and the effectiveness of applicable country systems. Based on information available during appraisal, no material weaknesses were identified that would fundamentally constrain these systems from managing the foreseeable ES effects associated with the Program. Program Grievance Redress Mechanism (GRM) and Monitoring Arrangements. ES concerns potentially associated with the policy reforms supported under the Program may be raised through Indonesia's existing national and subnational systems. Available channels include administrative and sector-specific complaint mechanisms, public participation and complaint-handling processes embedded in environmental assessment and permitting systems, the national SP4N-LAPOR! platform, environmental complaint channels administered through AmdalNet, and complaint-handling systems operated by provincial and local governments. In addition, the Ministry of Finance (MOF), as the Executing Agency, will coordinate with the ministries and agencies responsible and report to AIIB annually on Program implementation based on agreed format. AIIB will maintain regular policy dialogue and monitor the Program's ES aspects, as appropriate under the CPBF framework. Information on available country grievance channels, as the Program GRM, and AIIB's Project-affected People's Mechanism (PPM) will be disclosed in an appropriate and timely manner.	
Cost and Financing Plan	USD 500 million	
Borrower/Investee Company/Counter party/Guaranteed entity	Republic of Indonesia	
Guarantor	Not Applicable	
Implementing Entity	Ministry of Finance of the Republic of Indonesia	
Estimated date of loan closing	October 30, 2028	
Contact Points:	AIIB	Borrower
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Date of Concept Decision	July 7, 2026	
Date of Appraisal Decision	September 10, 2026	
Estimated Date of Financing Approval	October, 2026	

Independent Accountability Mechanism	The Project-affected People's Mechanism (PPM) has been established by 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 the program-level GRM the processes of AIIB's Management. For information on AIIB's PPM, please visit: https://www.aiib.org/en/about-aiib/who-we-are/project-affected-peoples-mechanism/how-we-assist-you/index.html
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