



### Project Summary Information

Date of Document Updating: April 14, 2022	
<b>Project Name</b>	Development of Pumped Storage Hydropower in Java Bali System
<b>Project Number</b>	P000512
<b>AIIB member</b>	Indonesia
<b>Sector/Subsector</b>	Energy / Renewable energy generation-hydropower
<b>Alignment with AIIB's thematic priorities</b>	Green infrastructure
<b>Status of Financing</b>	Approved
<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 risk and impact management, implementation, and monitoring, as well as capacity building for PLN in hydropower project preparation and management. The Project will be jointly co-financed with the World Bank as lead co-financier.</p> <p>There are three components of the Project:</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 1) developing the first large-scale pumped storage hydropower to improve power generation peaking and storage capacity of the Java-Bali grid and 2) strengthening PLN's capacity for hydropower development and management.
<b>Expected Results</b>	The result of the Project will be measured by 1) increase in peaking capacity (MW), 2) increase in the power storage capacity (GWh), and 3) reduction of greenhouse gas emission (MtCO <sub>2e</sub> ).
<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.

<b>Environmental and Social Information</b>	<p>The Project will be jointly co-financed with the WB as 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 support a harmonized approach to addressing the ES risks and impacts of the Project, and as permitted under AIIB's Environmental and Social Policy (ESP), the WB ESF will apply to the Project in lieu of AIIB's ESP. AIIB has reviewed the WB ESF and is satisfied that: 1) it is consistent with AIIB's Articles of Agreement and materially consistent with the provisions of AIIB's ESP; and 2) the monitoring procedures that are in place are appropriate for the Project.</p> <p>Potential environmental impacts of UCPS plant are wide ranging and significant. Permanent changes in hydrological regime and land use, dam safety risk, occupational and community health, and safety risks result in residual impacts which are long term, permanent and irreversible. The key environmental risks and impacts are 1) potential loss of habitats and key species of conservation concern; 2) temporary downstream river impacts because of sediment discharge from construction affecting water quality and stream bed patterns; 3) changes in hydrological regime in Cisokan river; 4) long term changes to erosion and deposition patterns downstream Cisokan river because of reduced sediment load during operation; 5) potential significant negative impacts on communities during the construction period from sediment runoff, fugitive dust, increased noise and traffic, pedestrian and road safety risks, and increased waste from construction camps; and 6) dam safety risks to life, property, and ecosystem. Several safeguard instruments have been agreed upon and finalized to manage these risks and impacts. These instruments (e.g., Environmental and Social Impact Assessment, Forest Partnership Framework, Biodiversity Management Plan) have been publicly consulted and disclosed.</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 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</p>
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	<p>the Project and the other specifically for Project workers. The GRMs are to be established within three months of the Project Effectiveness date and maintained. The information of established project-level GRMs including the Independent Accountability Mechanism (IAM) of the World Bank will be disseminated timely to the local communities and the project-affected people in an appropriate manner.</p> <p>Component 3 of the Project covers activities that are not financed by AIIB. Although the Project is not directly funding physical construction and operation of the proposed MPS project or proposed Pokko project, ES risks and impacts are expected to be significant and WB ESF compliance requirements will be considered in the detailed project design.</p> <p>An ES Panel will be set up to review and support the quality of the implementation of the ESMP, contractor's ESMPs, Biodiversity Management Plan, FPF, LARAPs and other plans. AIIB will conduct regular monitoring missions together with the WB on the implementation of ESMP and other ES requirements.</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 has provide the link to the disclosure already<sup>3</sup>.</p>																												
<b>Cost and Financing Plan (in USD million)</b>	<table border="1"> <thead> <tr> <th rowspan="2">Item</th> <th rowspan="2">Project Cost</th> <th colspan="3">Financing Plan</th> </tr> <tr> <th>AIIB</th> <th>WB</th> <th>PLN</th> </tr> </thead> <tbody> <tr> <td>Component 1: Development of the UCPS plant</td> <td>673</td> <td>230</td> <td>333</td> <td>110</td> </tr> <tr> <td>Component 2: Environmental and social impact management for the UCPS plant</td> <td>40</td> <td>-</td> <td>5</td> <td>35</td> </tr> <tr> <td>Component 3: Technical assistance and capacity building for PLN</td> <td>42</td> <td>-</td> <td>42</td> <td>-</td> </tr> <tr> <td><b>Total Project Cost</b></td> <td><b>755</b></td> <td><b>230</b></td> <td><b>380</b></td> <td><b>145</b></td> </tr> </tbody> </table>	Item	Project Cost	Financing Plan			AIIB	WB	PLN	Component 1: Development of the UCPS plant	673	230	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</b>	<b>380</b>	<b>145</b>
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<b>Borrower</b>	Republic of Indonesia																												
<b>Implementing Entity</b>	PT Perusahaan Listrik Negara (Persero) (PLN)																												
<b>Estimated date of loan closing</b>	June 2028																												

<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> <https://www.aiib.org/en/projects/details/2022/approved/Indonesia-Development-of-Pumped-Storage-Hydropower-in-Java-Bali-System.html>

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<b>Date of Concept Decision</b>	July 28, 2021			
<b>Date of Appraisal Decision</b>	December 20, 2021			
<b>Date of Financing Approval</b>	April 13, 2022			

<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="https://www.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service">https://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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