



Draft Design and Monitoring Framework

Project Number: 49043-001
August 2015

Proposed Programmatic Approach and Policy-
Based Loan for Subprogram 1
Republic of Indonesia: Sustainable and Inclusive
Energy Program

Asian Development Bank

DESIGN AND MONITORING FRAMEWORK

Impacts of the program is aligned with:			
<ul style="list-style-type: none"> ▪ Domestic Energy Security and Access to Modern forms of Energy Increased (National Medium-Term Development Plan, 2015-2019) 			
Program Results Chain	Performance Indicators with Targets and Baselines	Data Sources or Reporting Mechanisms	Risks
Outcome Supply from sustainable and more accessible energy options increased	By 2022: a. Number of large IPP-led new power projects that reach financial closure increased to at least five per year (2014 baseline: 2) b. Annual private sector participation in the gas sector, increased by at least 10 % (2014 baseline \$20 billion) c. Percentage of the population with access to electricity increased to 96% (2014 baseline: ~84%) d. Renewables account for 10 % of the electricity generation mix (2014 baseline: 6%)	a. Bank of Indonesia annual report b. Annual RUPTL (PLN), ^a MEMR annual report c. Central Bureau of Statistics website ^b and development partner reports d. BKPM annual report	Reduced oil prices and gas prices limits private sector interest in increased oil and gas exploration Downward pressure on the rupiah increases PLN's debt service ratio and constrains borrowing
Outputs 1. Sector governance improved	By 2019: 1a. An economic tariff for power for all consumer classes adopted (2014 baseline: N/A) 1b. An economic regulation for PLN adopted (2014 baseline: N/A)	1a. Website of DG Electricity (MEMR) ^c 1b. RUPTL, MEMR annual reports	Risks Government reorganization or reallocation of functions Political commitment to private investments in the energy sector wavers
2. Markets for private participation enabled	By 2019: 2a. At least three regulations that streamline the planning, financing, and delivery of private sector projects in the power sector adopted (2014 baseline: N/A) 2b. Two power wheeling agreements by PLN signed (2014 baseline: N/A) 2c. Three regulations that increase private	2a. Annual RUPTL (PLN) 2b. Annual RUPTL (PLN) 2c. Website of	

Program Results Chain	Performance Indicators with Targets and Baselines	Data Sources or Reporting Mechanisms	Risks
	sector investment and the production and supply of gas adopted (2014 baseline: TBD)	DG Oil and Gas (MEMR) ^d , MEMR annual reports	
3. Regulatory environment for increased access to clean energy and energy efficiency improved	<p>By 2019:</p> <p>3a. Three regulations to scale up geothermal energy-based power generation issued (2014 baseline: TBD)</p> <p>3b. Pricing mechanisms for two additional renewable energy technologies (e.g. wind, solar) established (2014 baseline: Two renewable energy feed-in tariffs established)</p> <p>3c. Two decrees relating to national electrification plans issued (2014 baseline: N/A)</p> <p>3d. At least two new regulations promoting energy efficiency and conservation enacted (2014 baseline: N/A)</p> <p>3e. Regulation requiring carbon capture and storage to be undertaken in gas processing plants (2014 baseline: N/A)</p>	<p>3a. EBTKE website,^e MEMR annual reports, development partner reports</p> <p>3b. EBTKE website, MEMR annual reports, development partner reports</p> <p>3c. EBTKE website, MEMR annual reports, RUKN</p> <p>3d. EBTKE website, MEMR annual reports, development partner reports</p> <p>3e. EBTKE website, MEMR annual reports, development partner reports</p>	
<p>Activities with Milestones Refer to policy matrix</p>			
<p>Inputs</p> <p>Subprogram 1: OCR - \$400 million; AIF - \$100 million Subprogram 2: \$300 million Subprogram 3: \$300 million</p>			
<p>Assumptions for Partner Financing</p> <p>i) World Bank Group - \$500 million ii) KfW - €200 million equivalent iii) AFD - €100 million equivalent</p>			

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<p>These partner financing will be available as and when required by the program to finance the overall reform actions under subprogram 1</p>			

AFD = Agence Française de Développement (French Development Agency), AIF = ASEAN Infrastructure Fund, BKPM = Badan Koordinasi Penanaman Modal (Indonesia Investment Coordinating Board), EBTKE = Directorate General of New and Renewable Energy and Energy Conservation, FDI = foreign direct investment, IPP = independent power producer, KfW = Kreditanstalt für Wiederaufbau (Reconstruction Credit Institute), MEMR = Ministry of Energy and Mineral Resources, OCR = ordinary capital resources, PLN = PT Perusahaan Listrik Negara (State Electricity Company), RPJMN = Rencana Pembangunan Jangka Menengah Nasional (National Medium-Term Development Plan), RUKN = Rencana Umum Ketenagalistrikan Nasional (National Energy Plan), RUPTL = Rencana Usaha Penyediaan Tenaga Listrik (Electricity Power Supply Business Plan)

* Badan Pengawasan Keuangan dan Pembangunan. 2015. *Rencana Pembangunan Jangka Menengah Nasional, 2015–2019*. <http://www.bpkp.go.id/sesma/konten/2254/Buku-I-II-dan-III-RPJMN-2015-2019.bpkp> (accessed 23 April 2015).

^a Current edition: PLN. 2014. *Rencana Usaha Penyediaan Tenaga Listrik (RUPTL), 2015–2024*. Jakarta.

^b www.bps.go.id/

^c <https://www.djk.esdm.go.id>

^d www.migas.esdm.go.id/

^e <http://www.ebtke.esdm.go.id/>

Source: Asian Development Bank.