

## PROGRAM ACTION PLAN

Actions	Responsible Agency <sup>a</sup>	Time Frame for Implementation <sup>b</sup>
<b>Technical</b>		
1. Accelerate the process for advancing the effective dates of contracts for transmission system strengthening and expansion.	P3BS DIV PR SUM	2015
2. Assess PLN staff development needs by area and sector.	DIV TLN DIV SDM	from 2016
3. Accelerate PLN staff training and certification programs	DIV TLN	from 2016
4. Conduct analysis of bottlenecks in work process flows relating to the timely completion of distribution contracts. Use the solutions coming from this process to accelerate the implementation and completion of distribution contracts.	DIV SCM (MDU) DIV PR SUM (PLN <i>wilayahs &amp; distribusi</i> for works contracts)	2016
5. Plan and finalize the selection of locations and components for strengthening/expansion of transmission system, and criteria for sequencing of related interventions under the EGSS.	P3BS DIV RET DIV SIS DIV PR SUM	2016
6. Plan and finalize the selection of locations and components for strengthening/expansion of distribution system, and criteria for sequencing of EGSS interventions in the distribution system.	DIV PR SUM PLN <i>wilayah</i>	2016
7. Review and improve as necessary PLN standards and criteria for earthquake and disaster resistant in transmission and distribution infrastructure and preparedness.	DIV MUM	2016
<b>Monitoring and evaluation</b>		
8. Establish tracking, reporting and verification systems for DLIs: (i) incorporate DLIs into the SILM and set up mechanisms to produce regular DLI reports so that corrective action is possible; and (ii) based on these internal DLI reports, set up mechanisms to produce the Annual DLI Achievement Report, to be shared with MOF and ADB.	SPKK DIV PR SUM	from end 2015
9. Implement or update the measurement and recording of indicator baselines, with a view to (i) conducting effective performance monitoring; and (ii) reporting on DLIs.	SPKK DIV PR SUM	from December 2015 to December 2016
10. Strengthen PLN's regular M&E system for reporting DLIs and other key performance indicators in real time, including the generation of monthly Summary Progress Reports (SPR) on all EGSS indicators, which will become the basis for annual DLI and EGSS reporting.	SPKK DIV PR SUM	2015-2016
11. Assess the achievement of the DLIs and authorize the DLI Achievement Report to be shared with MOF and ADB. Submit the withdrawal application directly to ADB and copy the MOF, accompanied by the Review Mission's verification of DLI achievement and other supporting documents.	Director Corporate Planning SPKK DIV RKO DIV PR SUM DIV TRE	2016 onwards

<b>Financing and partnerships</b>		
12. Monitor funding allocations from the government and all financing partners against agreed funding and investment targets, using existing systems run by PLN's Finance and Budgeting Division and Treasury Division.	DIV TRE DIV AKT DIV ANG DIV KEU	2016 onwards
13. Strengthen communication channels among all financing partners, including private sector, other multilateral and bilateral partners, in order to ensure sufficient investments in the sector.	MOF PLN ADB	2016 onwards
<b>Financial management</b>		
14. Transition all PLN entities/subsidiaries to ERP to allow the system to generate PLN's consolidated financial statements, instead of being manually prepared using spreadsheets.	DIV STI DIV AKT	2017 <sup>b</sup>
15. Develop the ERP system to produce budget tables with comparison to actual expenditures at year-end.	DIV STI DIV ANG DIV AKT	2016
<b>Procurement</b>		
16. Procurement monitoring report prepared and submitted quarterly.	DIV PR SUM (PLN <i>wilayahs &amp; distribus</i> ) P3BS DIV DAS DIV SCM	From the third month after program commencement
17. Enhance PLN capacity to produce data and information required for PAP 16.	DIV SCM DIV DAS P3BS DIV PR SUM (PLN <i>wilayah &amp; distribus</i> )	Within the first six months of program commencement
18. Incorporate detailed guidelines for Open Book in the Board of Directors (BOD) Decree No: 0620.K/DIR/2013 on PT PLN (Persero) General Guidelines for Procurement including provisions to increase transparency.	DIV DAS SHK	Within 24 months of program commencement
19. Develop strategies to move from open book to limited biddings for selected equipment categories.	DIV DAS SHK	Within 24 months of program commencement
<b>Safeguards</b>		
20. PLN HQ issues a guidance on the screening criteria for selecting locations and components to ensure that the program will exclude: (a) activities that would be classified as environment category A in the ADB SPS; (b) activities related to extension of substations, installation of reactors and capacitors and expansion of switchgears that require land acquisition; and (c) activities that directly or indirectly affect the dignity, human rights, livelihood systems, or culture of indigenous peoples or affect the territories or natural or cultural resources that indigenous peoples own, use, occupy, or claim as an ancestral domain or asset.  PLN <i>wilayahs</i> , UIPs, and P3BS submit to PLN HQ a list	DIV K3L DIV PR SUM DIV KR SUM PLN <i>wilayahs</i> UIPs P3BS	Prior to the first disbursement and 2016 onwards

of activities excluded from the program following the guidance issued through this program action annually.		
21. Equip transformers with oil retention facilities at substations extended under the program.	UIPs	2016 onwards
22. Improve the management of industrial waste.	PLN <i>wilayahs</i>	Within a year of program commencement
23. Monitor the resettlement <sup>c</sup> outcomes and their impacts on the living standards of displaced persons through reviewing complaints received and conducting consultations with community, and take necessary actions if the impacts are found to affect the income and livelihood status of the APs. The implementation of this program action will be reported to relevant divisions semi-annually.	DIV K3L DIV PR SUM PLN <i>wilayahs</i> P3BS	2016 onwards
24. Appoint focal persons for implementing environmental and social safeguards activities.	DIV K3L PLN <i>wilayahs</i> DIV PR SUM UIPs P3BS	4 <sup>th</sup> quarter 2015
25. Build capacities of relevant field personnel at related Divisions, <i>wilayahs</i> , UIPs, P3BS, PIU, and contractors, on environmental and social safeguards focusing on the safeguards program actions.	DIV K3L PLN <i>wilayahs</i> DIV PR SUM UIPs P3BS	Every 4 <sup>th</sup> quarter starting from 2015 onwards
26. Monitor and ensure the implementation of program actions 21 and 22 and report the results quarterly to DIV K3L through the <i>Environmental Performance Report</i> .	DIV K3L PLN <i>wilayahs</i> UIPs	2016 onwards

ADB = Asian Development Bank, AP = affected persons, *distribusi* = distribution unit, DIV AKT = Accounting Division, DIV ANG = Budget Division, DIV TRE = Treasury Division, DIV DAS = Strategic Procurement Division, DIV KEU = Finance Division, DIV K3L = Health, Safety, and Environment Division, DIV KR SUM = Sumatra Construction Division, DIV MUM = General Affairs Division, DIV PR SUM = Sumatra Development Division, DIV RET = Engineering/Procurement Planning Division, DIV RKO = Corporate Planning Division, DIV SCM = Supply Chain Management Division, DIV SDM = Human Resource Division, DIV SIS = System Planning Division, DIV STI = Information Technology Division, DIV TLN = Talent Division, DLI = disbursement-linked indicator, EGSS = Electricity Grid Strengthening – Sumatra Program, ERP = enterprise resource planning, HQ = headquarters, MDU = General Distribution Materials, MOF = Ministry of Finance, P3BS = Sumatra Load Dispatch Center, PIU = program implementation unit, PLN = Perusahaan Listrik Negara (State Electricity Corporation), PMO = Project Management Office, SHK = Legal Division, SILM = Management Reporting Information System, SPKK = Corporate Performance Control Unit, SPS = Safeguard Policy Statement (2009), UIP = Development Unit, *wilayah* = regional office

<sup>a</sup> In view of the announced restructuring plan of PLN on 7 August 2015 and possible further organizational changes, the agencies listed herein as responsible for delivering on the program actions may need to be revised/updated as the new organizational structure evolves.

<sup>b</sup> The timeframe may need to be revised for this program action due to PLN's reorganization.

<sup>c</sup> Resettlement means removal/damage of non-land assets and use of private land for installation of concrete poles.

Sources: Asian Development Bank and PLN.