

PROGRAM ACTION PLAN

Actions	Responsible Teams	Timeframe
Program scope		
1. Plan and finalize the selection of locations and components for the strengthening and expansion of the distribution system, and criteria for sequencing related interventions under the program.	<i>Wilayahs</i> ; DIV PR SNT	from 2017
2. Support the national program to develop tourism to stimulate job creation and economic growth. Establish annual targets for the number of new customers in PLN Areas with government-designated tourism development sites, and include progress in quarterly reports, with semi-annual consultation with the MOF.	<i>Wilayahs</i> ; DIV PR SNT; DIV SIS; DIV RKO	from 2017
Technical		
3. Analyze work process flows relating to the timely completion of distribution implementation contracts. Use the solutions coming from this process to accelerate the implementation and completion of distribution contracts.	DIV SCM; <i>Wilayahs</i> (for works contracts); DIR REG SNT	by the end of 2017
Program results		
4. Build the capacities of and conduct orientation sessions for relevant field personnel on the RBL program and DLI reporting.	DIV TLN; DIV HCMS	from 2017
5. Conduct capacity building programs in targeted areas to enhance the understanding and acceptance of new technologies and innovations (e.g., smart grids and digital prepaid meters) among stakeholders.	<i>Wilayahs</i> ; DIR REG SNT; DIV SIS; Smart Grid Task Force	from 2018
Monitoring and evaluation		
6. Establish tracking, reporting, and verification systems for DLIs: (i) incorporate DLIs into the SILM in a separate module, 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 the MOF and ADB.	SPKK; DIR REG SNT	from 2017
7. Implement or update the measurement and recording of indicator baselines, with a view to (i) conduct effective performance monitoring; and (ii) report on DLIs.	SPKK; DIR REG SNT	from 2017
8. Strengthen PLN's regular monitoring and evaluation system for reporting DLIs and other key performance indicators in real time, including the generation of monthly summary progress reports on all RBL program indicators, which will become the basis for annual reporting on DLIs and other indicators.	SPKK; DIR REG SNT	from 2017
9. Assess the achievement and verification of the DLIs by PLN and the independent verification agent and authorize the DLI Achievement Report to be shared with the MOF and ADB. Submit the withdrawal application directly to ADB and a copy to the MOF, accompanied by the review mission's verification of DLI achievement and other supporting documents.	DCP; SPKK; DIV RKO; DIR REG SNT; DIV TRE	from 2017
Financing and partnerships		
10. Monitor funding allocations from the Government of Indonesia 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	from 2017
Financial management		
11. Complete the full integration of IBM Cognos' Budget Planning and Control System with the ERP system to allow (i) system-generated comparisons of the budget with actual expenditures, and (ii) system-generated consolidated financial statements.	DIV AKT ; DIV KEU ; DIV ANG	by January 2018
Procurement		
12. PLN's new procurement monitoring system "AMK" implemented in program areas, and a procurement monitoring report prepared and submitted quarterly.	DIV SCM; DIR REG SNT; <i>Wilayahs</i>	by the end of 2017
13. A SCM and dispatching system implemented in program areas.	DIV SCM	by the end of 2017
14. Procurement audits each year of 10% of all contracts at <i>Wilayah</i> and <i>Area</i>	DIV SCM; DIR	starting from 2017

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offices (information sheet shared with ADB).	REG SNT; <i>Wilayahs</i> ; SPI	audit
15. Prepare and conduct open competitive bidding (allowing international bidders to participate) following PLN's procurement procedures for all pilot smart grid projects under the program.	DIV PR SNT; Smart Grid Task Force (including DIV SIS, DIV RKO, SPKK, and others); DIV DAS; DIV EPP	from 2018
Safeguards		
16. Issue a technical guidance on the implementation of safeguard program actions (including the guidance on safeguards screening ^a) to General Managers of PLN <i>Wilayahs</i> .	DIV K3L	prior to the first annual disbursement
17. Strengthen meaningful consultation ^b with affected peoples and IPs by: (i) issuing guidance on meaningful consultation in collaboration with DIV PRSNT and SKOM (the guidance will ensure the participation of IPs in tailoring project benefits for affected IPs communities in a culturally appropriate manner) with reference to MOEF Regulation No.17/2012; and (ii) document the process and result of the consultations.	(i) DIV K3L (ii) <i>Wilayahs</i>	(i) prior to the first annual disbursement (ii) from 2017 onward
18. Ensure the application of environmental mitigation measures to the construction of distribution lines by: (i) preparing environmental documents (UKL/UPL or SPPL) for the construction of distribution lines that is approved by the BLHD; (ii) specifying environmental mitigation measures in the contract document; (iii) monitoring the implementation of the mitigation measures; and (iv) proposing and implementing corrective actions if noncompliance with the proposed mitigation measures is identified.	<i>Wilayahs</i>	from 2017 onward
19. Improve the management of waste and assets at warehouses by: (i) preparing an inventory of used equipment for disposal as of the end of 2016; (ii) preparing an inventory of used equipment for disposal at the end of each year from 2017 onward; (iii) securing approval of the disposal inventory (as of the end of 2016) from the PLN Board of Commissioners (for equipment less than 5 years old) and the MSOE (for equipment more than 5 years old); (iv) revising the PLN Guidance for Asset Management (1998) to accelerate the disposal of hazardous waste, including a requirement to prepare and submit annual disposal inventories from the end of 2017 onward; (v) preparing a waste and asset management improvement plan (including a timeframe, budget, and human resources) in consultation with DIV AKT and DIV 3KL, to be approved by DIR REG SNT; (vi) cleaning up existing oil spills in accordance with relevant regulations (including MOEF Regulation No. 33/2009 and Government Regulation No. 101/2014), and disposing of excavated hazardous waste material at appropriately licensed hazardous waste disposal facilities, while retaining records of all transfer notes; (vii) equipping warehouse sites (with hazardous wastes) with oil containment and protection measures; and (viii) implementing the waste and asset management improvement plan.	(i) <i>Wilayahs</i> ; DIV AKT (ii) <i>Wilayahs</i> ; DIV AKT (iii) DIV AKT (iv) DIV AKT; DIV K3L (v) <i>Wilayahs</i> ; <i>Areas</i> ; DIR REG SNT (vi) <i>Wilayahs</i> ; <i>Areas</i> (vii) <i>Wilayahs</i> ; <i>Areas</i> (viii) <i>Wilayahs</i> ; <i>Areas</i>	(i) by Dec 2017 (ii) every first quarter starting from 2018 onward (iii) by Dec 2018 (iv) by Dec 2017 (v) by Dec 2017 (vi) by Dec 2018 (vii) by Dec 2020 (viii) by Dec 2021
20. Enhance community safety along distribution lines (including transformers) under operation by (i) building community awareness to prevent the growth of tall vegetation along the distribution lines and public contact with potentially dangerous electrical equipment; (ii) monitoring tree trimming by the distribution line maintenance contractors; (iii) reducing outages due to tree disturbances (baseline data collected in 2017); and (iv) posting safety notices on newly installed distribution transformers.	(i) <i>Wilayahs</i> (Public Relation Division) (ii) <i>Wilayahs</i> (iii) <i>Wilayahs</i> (iv) <i>Wilayahs</i> (through contractors)	(i) from 2017 onward (ii) from 2017 onward (iii) from 2017 onward (iv) from 2017 onward
21. Obtain and document the written agreement of landowners for the use of land for distribution transformers, following Buku 4.	<i>Wilayahs</i>	from 2017 onward
22. Monitor resettlement outcomes and their impacts on the living standards of displaced persons by reviewing complaints received, and take necessary actions if the impacts are found to affect the income and livelihood status of	(i) <i>Wilayahs</i> (ii) <i>Wilayahs</i>	(i) from 2017 onward (ii) from 2017

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the affected persons. The monitoring result should be documented, and corresponding measures formulated and implemented if income and livelihood status are affected.		onward
23. Appoint safeguards focal persons who have attended PLN's internal safeguards training at each <i>Wilayah</i> and <i>Area</i> to implement environmental and social safeguard activities.	<i>Wilayahs</i> ; <i>Areas</i>	prior to the first annual disbursement
24. Build capacity on environmental and social safeguards with a focus on the safeguard program actions by holding regular meetings (including refresher training sessions) convening relevant PLN staff at headquarters, <i>Wilayahs</i> , and <i>Areas</i> , as well as all focal persons, contractors and key local government counterparts) to ensure the smooth and timely implementation of the safeguard program actions.	DIV K3L	from 2017 onward (at least once a year)
25. Monitor and ensure the implementation of the program actions by (i) monitoring and documenting the implementation of program action 19 and reporting to the PLN <i>Wilayahs</i> regularly (at least semi-annually), with records (transfer notes) of the disposal of hazardous waste at appropriately licensed facilities; (ii) monitoring and documenting the implementation of program actions 17, 18, 19, 21, 21 and 22, and reporting to DIV PR SNT, DIV PPT, and DIV K3L regularly (at least semi-annually), with records (transfer notes) of the disposal of hazardous waste at appropriately licensed facilities; and (iii) documenting the list of distribution line projects (including village names and the length of distribution lines) with the result of safeguards screening, and submitting this to DIV PR SNT and DIV K3L annually.	(i) <i>Areas</i> (focal persons) (ii) <i>Wilayahs</i> (focal persons) (iii) <i>Wilayahs</i>	(i)–(ii) from 2017 onward (iii) from 2017 onward

ADB = Asian Development Bank, *Area* = PLN area office under *Wilayah*, BLHD = provincial or district environment agency (*badan lingkungan hidup daerah*), DCP = Director of Corporate Planning, DIR REG SNT = Directorate of Sulawesi and Nusa Tenggara Regional Business, DIV AKT = Accounting Division, DIV ANG = Budget Division, DIV DAS = Strategic Procurement Division, DIV EPP = Engineering and Procurement Planning Division, DIV HCMS = Human Capital Management System, DIV KEU = Finance Division, DIV K3L = Health, Safety and Environment Division, DIV PPT = Permit and Land Division, DIV PR SNT = Sulawesi and Nusa Tenggara Development Division, DIV RKO = Corporate Planning Division, DIV SCM = Supply Chain Management Division, DIV STI = Information Technology Division, DIV SIS = System Planning Division, DIV TLN = Talent Division, DIV TRE = Treasury Division, DLI = disbursement-linked indicator, ERP = enterprise resource planning, IBM = International Business Machines, MOEF = Ministry of Environmental and Forestry, MOF = Ministry of Finance, MSOE = Ministry of State Owned Enterprises, PLN = State Electricity Corporation (*Perusahaan Listrik Negara*), RBL = results-based lending, SCM = Supply Chain Management, SILM = Management Reporting Information System (Sistem Informasi Laporan Manajemen), SKOM = Satuan Komunikasi Korporat, SPI = Satuan Pengawasan Intern (Internal Control Unit), SPKK = Satuan Pengendalian Kinerja Korporat (Corporate Performance Control Unit), SPPL = statement of environmental management and monitoring undertaking (*surat pernyataan kesanggupan pengelolaan dan pemantauan lingkungan hidup*), SPS = Safeguard Policy Statement, UKL/UPL = environmental management efforts and environment monitoring efforts (*upaya pengelolaan lingkungan hidup/upaya pemantauan lingkungan hidup*), *Wilayah* = PLN regional office.

^a RBL for programs will exclude activities classifiable as category A under the SPS (para. 4 of the program safeguard systems assessment). Considering the anticipated scope and magnitude of impacts associated with the construction of distribution lines, any such activities located in or directly adjacent to protected areas listed in the Ministry of Environment Regulation No. 05/2012, Appendix 3 or unprotected key biodiversity areas are classified as category A. PLN *Wilayahs* will identify (i) projects in protected areas (as designated by the government) and key biodiversity areas in consultation with the spatial planning office of the city or district development planning agency (*Badan Perencanaan Pembangunan Daerah*) and forestry agencies, with reference to the protected areas or key biodiversity areas village list provided by ADB, and (ii) projects in indigenous communities using the indigenous peoples communities village list provided by ADB. Before commencing any construction or rehabilitation works under the program, PLN *Wilayahs* will conduct the screening, and ADB will check the result of this screening to confirm that the RBL funding is not used for activities that would be classified as category A under the SPS.

^b Meaningful consultation is a process that (i) begins early in the project preparation stage and is carried out throughout the project cycle; (ii) discloses in a timely fashion relevant and adequate information that is understandable and readily accessed by affected people; (iii) is undertaken in an atmosphere free from intimidation or coercion; (iv) is gender-inclusive and responsive, and tailored to the needs of disadvantaged and vulnerable groups; and (v) incorporates all relevant views of affected people and other stakeholders into decision-making, such as project design, mitigation measures, the sharing of development benefits and opportunities, and implementation issues.

Sources: ADB; PLN.