



Indonesia: Eastern Indonesia Renewable Energy Project (Phase 2)

Project Name	Eastern Indonesia Renewable Energy Project (Phase 2)		
Project Number	51209-002		
Borrower/Company	PT Infrastruktur Terbarukan Adhiguna PT Infrastruktur Terbarukan Buana PT Infrastruktur Terbarukan Cemerlang PT Infrastruktur Terbarukan Lestari		
Country	Indonesia		
Location	Likupang, Lombok		
Approval Number	7553/3656, 7552/3655, 7550/3653, 7551/3654		
Type of ADB Assistance / Amount	Canadian Climate Fund for the Private Sector in Asia II (CFPS II)	USD 0.00	Approved
	Leading Asia's Private Infrastructure Fund (LEAP)	USD 0.00	Approved
	Ordinary capital resources	USD 0.00	Approved
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth		
Drivers of Change	Gender Equity and Mainstreaming Partnerships Private sector development		
Sector / Subsector	Energy - Renewable energy generation - solar		
Gender Equity and Mainstreaming	Some gender elements		
Responsible ADB Department	Private Sector Operations Department		
Responsible ADB Division	Portfolio Management Division, PSOD		
Responsible ADB Officer	Yasumura, Kota		
Project Sponsor(s)	Equis Group PT Global Pasifik Terbarukan PT Infrastruktur Terbarukan Mandiri Redaya Energi Solar, Pte. Ltd.		
Description	Phase 2 of the project will construct, operate and maintain a 21 MW solar power plant in Likupang (North Sulawesi) and three 7 MW solar power plants, in Pringgabaya, Selong, and Sengkol (Lombok, West Nusa Tenggara).		
Objectives and Scope	<p>The Government of Indonesia has set ambitious targets to increase the share of energy supplied from renewable energy from 12% in 2013 to 23% in 2025. Therefore, the Ministry of Energy and Mineral plans to increase the capacity of grid power generation through new and renewable energy to 45 GW by 2025. The Project contributes to the acceleration and expansion of private sector investments in clean energy infrastructure in Indonesia.</p> <p>The Project supports a leading private sector player (Equis Group) in its contributions towards this goal. The concessional financing from the Canadian Climate Fund for the Private Sector in Asia II (CFPS II) was needed to assist with implementation of the first utility scale solar power projects in Indonesia and to help the project sponsors to address its first mover costs and disadvantages as well as overcome various technical and regulatory challenges.</p>		
Linkage to Country/Regional Strategy	The project supports private sector infrastructure and environment, two of the five core pillars of the ADB strategy as reaffirmed by the Midterm Review of Strategy 2020. The project is consistent with the country partnership strategy for Indonesia, 2016-2019 by supporting the expansion of infrastructure and environment-friendly technologies for clean energy generation. The project is consistent with ADB's Energy Policy, which states that support for renewable energy projects will be prioritized and broadened.		

Safeguard Categories

Environment	B
Involuntary Resettlement	C

Summary of Environmental and Social Aspects

Environmental Aspects	To meet Safeguard Policy Statement environment category B project requirements, Equis Energy has prepared environmental and social impact assessments for the four solar power subprojects including power transmission lines. It also prepared an environmental management plan outlining appropriate measures to avoid, minimize, and mitigate any impacts. Most of the project components, such as the solar panels and transmission line poles, will be situated on rain-fed dry agricultural land historically planted with corn, cassava, and beans. None of the four solar subprojects or their surrounding areas are located in or near an environmentally sensitive area.
Involuntary Resettlement	The Project is classified as category C for involuntary resettlements. The SPVs procured project land using a willing buyer, willing seller process without availing themselves of the provisions of the National Land Agency Law No. 2/2012 on land procurement for development in the public interest. Land acquisition did not result in involuntary resettlement because of physical or economic displacement.
Indigenous Peoples	The Project is classified as category C for indigenous peoples. The majority of the subproject area population in North Sulawesi belong to the Sainghe Talaud ethnic group, a subgroup of the Minahasa which is the dominant ethnic group in the province. In Lombok, West Nusa Tenggara, 80% of the subproject area population originated from the Sasak Tribe, the dominant ethnic group in the area. The subproject areas are not situated in or overlapping any traditionally owned land or lands with customary rights. The ethnic groups residing in the subproject area villages are not separate from mainstream North Sulawesi and West Nusa Tenggara society, and are neither distinct nor vulnerable.
Stakeholder Communication, Participation, and Consultation	

Timetable for assistance design, processing and implementation

Concept Clearance	05 Sep 2017
Due Diligence	
Credit Committee Meeting	12 Mar 2018 to 12 Mar 2018
Approval	11 Apr 2018
Last PDS Update	25 Apr 2018

Project Page	https://www.adb.org/projects/51209-002/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=51209-002
Date Generated	16 October 2018

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