Early Warning System

AIIB-000994

Indonesia: Proyek Hijaunesia Staple Financing - Banyuwangi 100 MW Solar PV Project

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Quick Facts

Countries	Indonesia
Specific Location	Banyuwangi, East Java province
Financial Institutions	Asian Infrastructure Investment Bank (AIIB)
Status	Proposed
Bank Risk Rating	B
Voting Date	2025-11-13
Borrower	PT PLN Indonesia Power Renewables and GCL Intelligent Energy (Suzhou) Co., Ltd
Sectors	Energy
Investment Type(s)	Loan
Investment Amount (USD)	$ 20.00 million
Loan Amount (USD)	$ 20.00 million
Project Cost (USD)	$ 101.00 million

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Project Description

According to the AIIB, the objective of the Project is to contribute to Indonesia's renewable energy capacity and decarbonization goals by supporting the installation and operationalization of a 100-megawatt greenfield utility-scale solar photovoltaic project.

The Project involves the development, construction, operation, and maintenance on a Build-Own-Operate basis of a greenfield ground-mounted solar photovoltaic power plant with a capacity of 100-megawatts, located in Banyuwangi, East Java province, Indonesia.

Early Warning System Project Analysis

According to the AIIB:

Environmental Aspects

During the construction stage, various activities such as mobilization of heavy equipment and parts, land preparation, and installation of solar panels can have adverse environmental impacts. These include air quality impacts due to dust and pollutant emissions from vehicles and equipment, noise pollution and vibration impacts, from construction activities, soil contamination from the use of heavy equipment, runoff, and soil erosion leading to water quality impacts, and potential loss of habitat and species due to land clearing and traffic congestion and deterioration of road due to heavy traffic movement. These impacts have been assessed, and mitigation measures are proposed in the ESIA/ESMP for the Project. During the operation stage, key environmental impacts include potential impact to surface water quality due to wastewater discharge from solar modules cleaning, impacts to environmental health due to waste generation during operations, impact to ecosystem services such as important provisioning services due to competition of various uses of natural resources, and impacts on biodiversity such as avian fauna mortality due to collision and/or electrocution on overhead power transmission lines, and disruption of wildlife movement and/or migrations due to barrier effect of solar PV arrays. Mitigation measures have been proposed in the ESIA/ESMP to address these impacts such as the use of appropriate materials and non-harmful products for the operation and maintenance of PVs modules, development and implementation of waste management plan, monitoring of identified key species during the commissioning and operation of power line transmission to review the current risk and impact, ensuring provision of buffer between Project footprint and nearby existing wildlife corridor, if any, the installation of the Bird Fly Diverter as agreed by the Borrower, and consideration of potential environmental impacts in selecting preferred technology and finalizing detailed design.

Social Aspects

Key social risks and impacts are land acquisition and economic displacement of farmers/local communities in the Project footprints. It is estimated that the Project will affect 156 households, but no physical displacement or relocation is expected as the Project owner commits to avoid physical displacement impact. The Project will acquire approximately 1,552,116 m2 of land and will create a transmission line right-of-way over an additional 82,194 m2. Most of the land for the Project is state-owned land managed by PT Perkebunan Nusantara I, which will be acquired through a formal agreement. The remaining land for 13 transmission towers, the extension bay, and the gantry are privately owned and will be acquired through negotiated agreements. Construction of transmission towers will lead affected farmers to lose some agricultural lands and some assets (i.e. crops, trees, structures) within the transmission tower footings. Likewise, construction of the transmission line/access roads will cause farmers along the right-of-way to lose some assets. Temporary disruptions such as noise and restricted access are expected during the construction phase. Draft LALRPs for the Project following the government's relevant legislation and ADB's SPS (2009) are available.

Gender Aspects

Gender has been integrated into the Project through different measures. Firstly, gender assessments were conducted at all sub-project locations as part of the ESIAs that include identification of female vulnerable groups. Based on the assessments, various measures have been introduced for the Borrower to include in their corporate social responsibility programs. Secondly, gender is mainstreamed into all aspects of ES risks and impacts assessment and management with specific measures for women being introduced in the ESMPs and LALRPs. Potential risks related to sexual exploitation and abuse and sexual harassment (SEA/SH) were also assessed and measures are put in place to mitigate the risks including employment of local workers within communities, provision of training to construction workers and staff, ensuring safe worker accommodation and toilets for men and women.

Occupational Health and Safety, Labor and Working Conditions

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Investment Description

- Asian Infrastructure Investment Bank (AIIB)

As stated by the AIIB, the total Project cost is USD101 million, of which the proposed AIIB loan is USD20 million. The remaining Project costs will be funded by the Sponsors and/or other financial institutions including ADB.

Private Actors Description

As stated on the company's LinkedIn profile, PT PLN Indonesia Power, known as PLN-IP, is a sub-holding company of PT PLN (Persero) holding which is conducting electric power generation and other supporting businesses. PLN-IP is the largest provider of power generation supplying above 20 GW capacity in Indonesia.

PT PLN Indonesia Power Renewables is a subsidiary of PT PLN Indonesia Power.

As stated on the company's website, GCL (Group) Holdings Co., Ltd. is a green, low-carbon technology enterprise driven by China’s "Carbon Peak and Carbon Neutrality" goals, focusing on diversified new energy, clean energy, and renewable energy solutions such as wind, solar, energy storage, hydrogen, ammonia, and alcohols. Founded in 1990, GCL has consistently prioritized technological innovation and digital empowerment over its 35-year history, advancing breakthroughs in silicon, lithium, carbon, and core integrated circuit materials.

As of now, GCL Group boasts total assets exceeding RMB 200 billion, annual revenue nearing RMB 200 billion, and a brand value surpassing RMB 210 billion. It oversees multiple A-share and H-share listed companies, including GCL Technology (03800.HK), GCL System Integration (002506.SZ), GCL New Energy (00451.HK), and GCL Energy (002015.SZ), with over 40,000 employees. The group is supported by an expert think tank led by more than 10 members of the Chinese Academy of Sciences and Chinese Academy of Engineering, alongside 20+ specialized R&D teams and a talent pool of 3,000+ global energy technology experts. GCL allocates 3%-5% of annual revenue to R&D, securing nearly 4,000 patents and intellectual property rights. It has led or participated in drafting over 300 international, national, and industry standards, operates 75+ national/provincial-level research platforms, and undertakes 60+ state-level projects annually. All core subsidiaries are certified high-tech enterprises.

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Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
GCL (Group) Holdings Co., Ltd.	Client	Energy	contracts with	PT PLN Indonesia Power Renewables	Client	Energy
PT PLN Indonesia Power	Parent Company	Energy	owns	PT PLN Indonesia Power Renewables	Client	Energy
PT PLN Persero	Parent Company	Energy	owns	PT PLN Indonesia Power	Parent Company	Energy

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ACCESS TO INFORMATION

You can submit an information request for project information at: https://www.aiib.org/en/contact/information-request/index.html

ACCOUNTABILITY MECHANISM OF AIIB

The AIIB has established the Accountability Mechanism for Project-Affected People (PPM). The PPM provides Òan opportunity for an independent and impartial review of submissions from Project-affected people who believe they have been or are likely to be adversely affected by AIIBÕs failure to implement the ESP in situations when their concerns cannot be addressed satisfactorily through Project level GRMs or AIIB Management processes.Ó Two or more project-affected people can file a complaint. Under the current AIIB policy, when the bank co-finances a project with another development bank, it may apply the other bank's standards. You can refer to the Project Summary Information document to find out which standards apply. You can learn more about the PPM and how to file a complaint at: https://www.aiib.org/en/about-aiib/who-we-are/project-affected-peoples-mechanism/how-we-assist-you/index.html

The complaint submission form can be accessed in Arabic, Bahasa Indonesia, Bengali, Chinese, English, Tagalog, Hindi, Nepali, Russian, Turkish, or Urdu. The submission form can be found at: https://www.aiib.org/en/about-aiib/who-we-are/project-affected-peoples-mechanism/submission/index.html

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Bank Documents

- ESIA Report
- Land Acquisition and Livelihood Restoration Plan
- Project Summary (September 30, 2025) [Original Source]

Other Related Projects

- AIIB-000935 Indonesia: Proyek Hijaunesia Staple Financing - Pasuruan 100 MW Solar PV Project
- AIIB-000995 Indonesia: Proyek Hijaunesia Staple Financing - Gajahmungkur 100 MW Floating Solar PV Project