

 Early Warning System

AIIB-P000819

Indonesia: Strengthening Sumatra Power Distribution Results-Based
Project



Quick Facts

Countries	Indonesia
Specific Location	Sumatra region
Financial Institutions	Asian Infrastructure Investment Bank (AIIB)
Status	Proposed
Bank Risk Rating	B
Borrower	PT Perusahaan Listrik Negara (Persero)
Sectors	Energy, Infrastructure
Investment Type(s)	Loan
Investment Amount (USD)	\$ 500.00 million
Loan Amount (USD)	\$ 500.00 million
Project Cost (USD)	\$ 1,723.00 million



Project Description

According to the AIIB, the project development objective is to increase access to electricity services and to improve the reliability and efficiency of their delivery in the Sumatra region.

The proposed Results-Based Project (RBP) will support PT Perusahaan Listrik Negara (PLN) to finance the distribution component of the 10-year General Plan for Electricity Supply (RUPTL) within the Sumatra region for the period 2024-2028. The RBP will focus on three main results areas: (i) to increase access to sustainable and climate resilient electricity; (ii) to improve the reliability of electricity supply and services by strengthening the distribution network; and (iii) to improve the efficiency of the distribution system by reducing losses.

The RBP will exclude any activities with significant adverse environmental and social (ES) risks and impacts or high-value contracts above a specified threshold. The exclusion criteria will be developed when undertaking the RBP assessments on technical, ES, and fiduciary system of PLN during the preparation.

The Project will generate ES benefits by enhancing electricity access, reliability, and transmission efficiency in the regions. Key potential ES risks and impacts of this RBP are related to the construction and operation of new and/or upgraded distribution lines, substations and the solar photovoltaic (PV) plus battery energy storage system (BESS). Whether the Project may have Associated Facilities (e.g. access road and transmission substations that are not under the Project) will be assessed during the RBP preparation.

As of 2021, the energy mix in the Sumatra region was still heavily dominated by fossil energy sources, such as coal and gas.



Investment Description

- Asian Infrastructure Investment Bank (AIIB)

As stated by the AIIB, with an estimated expenditure cost of USD 1,723 million, AIIB will provide Results-Based Financing of USD 500 million with sovereign guarantee from the Republic of Indonesia. PLN will contribute USD 1,080 million as counterpart funds and the remaining is expected to be financed by other financiers.



Private Actors Description

As stated by Bloomberg, Perusahaan Perseroan (Persero) PT Perusahaan Listrik Negara generates, transmits, and distributes electricity. The Company develops electricity infrastructure such as transmission networks, substations, and distribution networks, as well as increase installed capacity for power supply. Perusahaan Listrik Negara serves customers in Indonesia.



Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	PT PLN Persero	Client	Energy



Contact Information

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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 an 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 AIIB's failure to implement the ESP in situations when their concerns cannot be addressed satisfactorily through Project level GRMs or AIIB Management processes. 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>



Bank Documents

- [Project Summary \(August 8, 2024\)](#) [Original Source]

Government Documents

- [RENCANA USAHA PENYEDIAAN TENAGA LISTRIK \(RUPTL\) PT PLN \(PERSERO\)](#)

Media

- [Decarbonizing the electricity system in Sumatra region using nuclear and renewable energy based power](#)