Early Warning System

IFC-41295

Sunter WTE

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Quick Facts

Countries	Indonesia
Specific Location	Jalan Sunter Baru, Kelurahan Sunter Agung, Kecamatan Tanjung Priok, Kota Administrasi Jakarta Utara
Financial Institutions	International Finance Corporation (IFC)
Status	Proposed
Bank Risk Rating	B
Borrower	PT JAKARTA SOLUSI LESTARI
Sectors	Energy, Infrastructure
Investment Type(s)	Loan
Investment Amount (USD)	$ 240.00 million
Loan Amount (USD)	$ 75.00 million
Project Cost (USD)	$ 350.00 million

Project Description

The Sunter intermediate treatment facility (“ITF”) is a 720,000 tons annual throughput waste to energy plant with 35MW electricity output to be located in the city of Jakarta, the capital of Indonesia. The Project is expected to manage waste for the city of Jakarta under a long-term Cooperation Agreement and sell power to PLN under a long-term Power Purchase Agreement. The Project is expected to be developed by a special purpose vehicle, PT Jakarta Solusi Lestari, formed by Fortum 2 B.V. (“Fortum”) and PT Jakarta Propertindo (“JakPro”)

The project company will build, own, operate and at the end of the 25-year operational period, transfer ownership (BOT) of a 35MW Intermediate Treatment Facility (ITF) Waste to Energy (WtE) based power plant (the “project”).

The project is located at the 3-hectare Sunter site, at Jalan Sunter Baru, Kelurahan Sunter Agung, Kecamatan Tanjung Priok, Kota Administrasi Jakarta Utara. The facility, with a design capacity of 35MW and annual waste throughput of 720,000 tons, will use contemporary thermal process technology to convert municipal solid wastes (MSW) into renewable energy, with the power to be evacuated through a 2.2 km kV underground transmission-line (“T-line”) to the Kemayoran 150kV substation.

The project site was previously a municipal waste compacting transfer station which is no longer in use, and as part of the Jakarta Government’s municipal waste management masterplan, has been designated by the Government as the site to set up the proposed ITF WtE facility.

There are 116 households residing immediately outside the northern boundary of the project site. The project expects a construction-phase workforce of 900 persons and an operational-phase staff of 95 persons, with construction expected to start around the end of 2019 or Q1 2020. The proposed investment by IFC, its first project with Fortum and JakPro, will consist of a financing package of up to US$240 million. For details on the nature of IFC’s investment, please refer to the disclosed Summary of Investment Information document.

Investment Description

- International Finance Corporation (IFC)

The total IFC financing package is expected to be up to US$240 million, of which up to US$75 million will be from IFC's own account and up to US$30 million concessional loan would be from IFC in its capacity as Implementing Entity of the Finland-IFC Blended Finance for Climate Program and from IFC in its capacity as Implementing Entity of the Clean Technology Fund.

The remainder is expected to consist of other financing such as Managed Co-Lending Portfolio Program, B, and/or Parallel Loans.

Financial Intermediary

Financial Intermediary: A commercial bank or financial institution that receives funds from a development bank. A financial intermediary then lends these funds to their clients (private actors) in the form of loans, bonds, guarantees and equity shares. Financial intermediaries include insurance, pension and equity funds. The direct financial relationship is between the development bank and the financial intermediary.

- Fortum 2 BV (Financial Intermediary)

Private Actors Description

The proposed investment by IFC is to support the first waste to energy (“WtE”) facility in Jakarta, Indonesia by providing a financing facility to a Joint Venture company (the “project company”) formed by Fortum 2 B.V. (“Fortum” - a subsidiary of Fortum Oyj, a Finnish energy company listed on the Helsinki Stock Exchange) and PT Jakarta Propertindo (“JakPro” – a company owned by the Jakarta City Government).

Fortum Oyj is a leading clean energy company that provides its customers with electricity, heating and cooling as well as smart solutions to improve resource efficiency. Fortum engages its customers and society to join the change for a cleaner world. Fortum Oyj employs 9,000 professionals in the Nordic and Baltic countries, Russia, Poland, and India. In 2018, sales were EUR 5.2 billion. Fortum’s shares are listed on Nasdaq Helsinki. Please refer to Fortum Oyj’s website (www.fortum.com) for more information.

Incorporated in 1997, JakPro, a Regional Owned Company (BUMD) of the Province of DKI Jakarta Government in the form of a private limited liability company, has business activities in property, infrastructure, and utilities.

The Project Company is expected to be 56% and 44% owned by Fortum and JakPro respectively during construction. During operations, JakPro has the option to increase its shareholding to 51%.

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Fortum Oyi	Parent Company	-
-	-	-	-	PT Jakarta Propertindo	Parent Company	-
-	-	-	-	PT Jakarta Solusi Lestari	Client	-

Contact Information

1/ The Project Contact

Company: Fortum Oyj / PT Jakarta Propertindo
Contact: Ulla Rehell / R. Aditya Bakti Laksana
Position: Vice President Sustainability / Project Director SBU ITF
Tel No.: +358 503839426 / +62 21 29625700 ext. 230
Email: ulla.rehell@fortum.com; aditya.b@jakarta-propertindo.com
Address: Ulla Rehell, POB, FI-00048 Fortum, Finland

R. Aditya B. Laksana, PT Jakarta Propertindo, Gedung Thamrin City, Lantai 1, Lobby Timur, Jl. Thamrin Boulevard, Jakarta 10340, Indonesia
Website: www.fortum.com / www.jakarta-propertindo.com

2/ The IFC Contact

General IFC Inquiries
IFC Communications
2121 Pennsylvania Avenue, NW
Washington DC 20433
Telephone: 202-473-3800
Fax: 202-974-4384

3/ Local Access for Project Documentation

PT Jakarta Propertindo

Gedung Thamrin City, Lantai 1, Lobby Timur

Jl. Thamrin Boulevard, Jakarta 10340

Indonesia

ACCOUNTABILITY MECHANISM OF IFC

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org. You can learn more about the CAO and how to file a complaint at http://www.cao-ombudsman.org/