



**The World Bank**

Upper Cisokan Pumped Storage Hydro-Electrical Power (1040 MW) Project (P112158)

REPORT NO.: RES27692

DOCUMENT OF THE WORLD BANK

RESTRUCTURING PAPER

ON A

PROPOSED PROJECT RESTRUCTURING

OF

UPPER CISOKAN PUMPED STORAGE HYDRO-ELECTRICAL POWER (1040 MW) PROJECT

APPROVED ON MAY 26, 2011

TO THE

REPUBLIC OF INDONESIA

ENERGY & EXTRACTIVES GLOBAL PRACTICE

EAST ASIA AND PACIFIC REGION

|                                  |                                  |
|----------------------------------|----------------------------------|
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**ABBREVIATIONS AND ACRONYMS**

|       |   |
|-------|---|
| BP    | Bank Policy   |
| EA    | Environmental Assessment                              |
| ESIA  | Environmental and Social Impact Assessment            |
| FS    | Feasibility Study                                     |
| IBRD  | International Bank for Reconstruction and Development |
| LARAP | Land and Resettlement Action Plan                     |
| MW    | Megawatt  |
| OP    | Operational Policy                                    |
| PDO   | Project Development Objective                         |
| PLN   | Perusahaan Listrik Negara                             |
| UCPS  | Upper Cisokan Pumped Storage                          |
| WB    | World Bank  |



**BASIC DATA**

**Product Information**

|   |  |
|---|--|
| Project ID<br>P112158                       | Financing Instrument<br>Investment Project Financing |
| Original EA Category<br>Full Assessment (A) | Current EA Category<br>Full Assessment (A)           |
| Approval Date<br>26-May-2011                | Current Closing Date<br>31-Dec-2018                  |

**Organizations**

|                                       |  |
|---------------------------------------|--|
| Borrower<br>The Republic of Indonesia | Responsible Agency<br>PT Perusahaan Listrik Negara (Persero) (PLN) |
|---------------------------------------|--|

**Project Development Objective (PDO)**

Original PDO

The development objective is to significantly increase the peaking capacity of the power generation system in Java-Bali in an environmentally and socially sustainable way and strengthen the institutional capacity of the project implementing entity (PLN) in hydro-power planning, development and operation.

**Summary Status of Financing**

| Ln/Cr/Tf   | Approval    | Signing     | Effectiveness | Closing     | Net Commitment | Disbursed | Undisbursed |
|------------|-------------|-------------|---------------|-------------|----------------|-----------|-------------|
| IBRD-80570 | 26-May-2011 | 29-Nov-2011 | 01-May-2012   | 31-Dec-2018 | 44.00          | 35.59     | 8.41        |

**Policy Waiver(s)**

Does this restructuring trigger the need for any policy waiver(s)?

No



## I. PROJECT STATUS AND RATIONALE FOR RESTRUCTURING

1. An IBRD loan of US\$640 million was approved on May 26, 2011 to support the construction of the Upper Cisokan Pumped Storage project as well as the feasibility study for the Matenggeng Pumped Storage Project. After years in problem status because of significant implementation issues and related delays and following a formal suspension of disbursements, a partial cancellation of US\$596 million for the Upper Cisokan component was signed by the Regional Vice President on May 2, 2017. That cancellation was a separate process and did not include project changes which are being introduced with this restructuring. The project is currently rated unsatisfactory for both progress towards achievement of development objective and implementation progress; however, the team expects to upgrade both ratings to satisfactory following this Level 2 restructuring.
2. **Background to cancellation.** As of April 30, 2017 – six years after Board approval -- the loan was only 5 percent or US\$32.94 million disbursed. During the first three years, the project struggled with delays in procurement of design consultants and the need to revise the design of the pumped storage plant responding to guidance of the Project Review Panel (PRP) of independent experts on bid documents. This was followed by delays in land acquisition and construction of access road (which was financed by the Borrower), as well as procurement for the construction of the dam and the power plant.
3. With regard to **Component 1** (Development of the Upper Cisokan Pumped Storage Power Plant), the main works contract covering the dam, civil works and powerhouse, totaling US\$235 million, was signed in December 2015. While this contract's Notice to Proceed was issued in March 2016, construction did not commence due to the occurrence of severe landslides before the civil works contractor (the Contractor) mobilized. The Contractor submitted a well-documented claim that the access road was unsafe and in need of major repair and stated that they would not be able to start work before the access road was fixed. Despite several attempts at negotiation, PLN and the Contractor were unable to agree on the terms for repairing and upgrading the access road and proceeding with the main civil works contract. A second contract (US\$35 million) for hydraulic metal works was signed in March 2016 but work never commenced due to the lack of progress on the civil works contract. A third contract covering supply of pumps, turbines and generators, for an estimated amount of US\$180 million, was tendered, and the Bank provided no-objection to the award recommendation in October 2016; but the contract was not signed, again due to the lack of progress on the civil works contract. Together, these packages amount to around US\$450 million representing 70 percent of the loan value. To date, around US\$ 25.0 million has been disbursed under Component 1. The Bank will not finance any further activities under Component 1 as per the cancellation.
4. **Component 2** (Social and Environmental Impact Management) was 100 percent financed by PLN. It consisted of two sub-components: (a) land acquisition, resettlement and livelihoods restoration; and (b) environment management. At the moment, PLN expects to continue with the Upper Cisokan Pumped Storage project without Bank financing. As such and as per Bank policy, the Borrower (PLN) should monitor and the Bank will continue to supervise resettlement activities that have started under the Land Acquisition and Resettlement Action Plan (LARAP) disclosed on April 20, 2011 based upon an agreed Action Plan (confirmed by PLN as per their letter dated November 30, 2017). As of the latest Implementation Status and Results report (ISR) of June 2018, the status of resettlement was moderately satisfactory, the grievance and external monitoring were both working well, and



land acquisition is complete on the access road, the reservoir and the transmission line. This Component will no longer be part of the project following restructuring.

5. **Component 3** (Feasibility and Preparation of Basic Design and Bid Documents for Matenggeng Pumped Storage Project, and Capacity Building), estimated US\$19.0 million, financed by the Bank, is under implementation and shows satisfactory progress. The Feasibility Study and Feasibility-Level Design contract was signed in March 2015 and has been successfully completed in October 2018. The ESIA contract was signed on May 1, 2017. Due to large delays in project implementation, poor performance to date and poor project management and enormous increase in the total cost of the consultancy (including unjustified requests for additional variation order), PLN informed the Bank, through letter dated May 23, 2018, about their decision not to extend the contract beyond May 31, 2018 (current closing date of the contract) between PLN and the consultant. The WB's task team confirmed to PLN that it supports PLN's decision not to renew. Process to recruit a new consultant is ongoing. This Component will continue under the restructured project. The remaining activities will include capacity building and preparation of Basic Design and Bid Documents and completion of the ESIA. To date US\$10.6 million has been disbursed under Component 3, leaving around US\$8.4 million for financing of the remaining activities.
6. Project management has been Unsatisfactory due to the incapacity of PLN to deal with the various issues that prevented the works of Upper Cisokan to start. The team is currently discussing a detailed action plan (with new PLN counterpart team) that will include actions to improve project management, including project reporting. The action plan is expected to be agreed by mid-January 2019.
7. There are no outstanding financial audit reports; and the Project is in compliance with all its legal, Financial Management (FM) and safeguard requirements, with the two exceptions: (1) PLN has not met the loan covenant requiring that its Debt Service Coverage Ratio (DSCR) remains above 1.5; (2) there are two overdue IFRs<sup>1</sup>. The Bank has, however, issued waivers for the DSCR covenant over the last four years and is currently processing the analysis to waive the DSCR covenant for 2018. This recurrent issue is being addressed through the Bank's advisory and analytical work
8. The rationale for restructuring the project is to introduce the changes to the project objectives and design that are induced by the partial cancellation of May 2, 2017.

## II. DESCRIPTION OF PROPOSED CHANGES

Following the May 2017 cancellation of US\$596 million, this Level 2 Restructuring will:

- (i) Revise the Project Development Objective (PDO) and results framework to align with the major reduction in the scope of the Project and remaining the revised project activities -- technical assistance to PLN for hydropower planning, design and implementation, as well as the preparation of the Matenggeng Pumped Storage Project

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<sup>1</sup> Following the partial cancellation of US\$596 million for the Upper Cisokan component, assignment to prepare financial reporting document for Bank requirements was transferred from PLN regional division to PLN Headquarter. This has created a gap in the assignment to prepare the IFRs. PLN is now committed to resolve this situation.



(Component 3). The revised PDO will be formulated as: “to strengthen the institutional capacity of PT Perusahaan Listrik Negara (Persero) for planning and preparation of pumped storage and hydropower projects.”

(ii) Drop Components 1 and 2 from the project scope and revise the project cost. Supervision related to Upper Cisokan project will be limited to the activities and milestones set in a Safeguards Action Plan as agreed and confirmed by PLN in a letter dated November 30, 2017. The remaining tasks of the agreed action plan are specified in annex one to the schedule of the restated Project Agreement, as follow:

- PLN shall pay compensation for approximately 155 PAPs on forest land in West Bandung District, which shall include the following activities: verifying the list of PAPs on forest land, preparing the terms of reference for licensed appraiser, hiring licensed appraiser to assess the value of affected non-land assets of eligible PAPs, inform eligible PAP the value of compensation due to them, and make compensation payments to PAPs (PLN started such payments in October 2018 and expect to finalize by March 31, 2019).
- PLN shall provide water through public tap facilities to cover 80 households in Santik, 70 households in Cangkuang and 35 households in Pasir Laja; and provide electricity to 90 households in Sukaresmi Village (Water provision through public tap and electricity facilities has been completed in Pasir Laja. Work is still ongoing in Santik and Cangkuang. PLN expects to complete before December 31, 2019).

(iii) Change in the Results Framework specially to revise or delete indicators related to component 1 and 2. PDO indicators have also been revised to reflect the change of PDO and scope of the project. Summary of changes is shown in the table below.

| <b>PDO indicators</b>   |  |   |                   |
|---|--|---|-------------------|
| <b>Original Project</b>   |  | <b>Revised Project</b>  |                   |
| Increased peaking capacity because of the project (MW)  | Dropped due to cancellation of Component 1 |   |                   |
| Percentage of project affected households that have achieved increased/restored incomes or assets. (%)  | Dropped due to cancellation of Component 1 |   |                   |
| Improved capability of PLN in planning, development and operation of hydropower pump storage power projects in accordance with international practice (text). | Replaced by                                | Improved capability of PLN in planning and preparation of hydropower pumped storage projects in accordance with international practice (Text) | Revised           |
| <b>Intermediate results</b>   |  |   |                   |
| <b>Original Project</b>   |  | <b>Revised Project</b>  |                   |
| Progress in procurement of main contracts: main works, electro mechanical equipment.  | Dropped due to cancellation of Component 1 | Bidding documents prepared for Upper Cisokan HPPS (Yes/No)  | Already completed |



|  |  |   |                   |
|--|--|---|-------------------|
| Progress in selection of project engineer.                                   | Dropped due to cancellation of Component 1 | ESMP and LARAP prepared for Upper Cisokan HPPS (Yes/No)                               | Already completed |
| Construction of dams, waterways and installation of M&E equipment.           | Dropped due to cancellation of Component 1 | Feasibility Study for Matenggeng HPPS finalized by PLN (Yes/No)                       |                   |
| Construction of 500 kV transmission line.                                    | Dropped due to cancellation of Component 1 |   |                   |
| Resettlement compensation: households fully compensated.                     | No change                                  | Resettlement compensation: households fully compensated.                              |                   |
| Livelihoods development: capacity enhanced in all villages                   | Dropped due to cancellation of Component 1 | Procurement strategy for Matenggeng approved by PLN management (Yes/No)               | New               |
| Progresses of the feasibility study and basic design for Matenggeng project; | Kept but split in two indicators           | Design finalized and Bid Documents approved by PLN management for Matenggeng (Yes/No) |                   |
|  |  | ESMP and LARAP prepared for Matenggeng and approved by PLN management (Yes/No)        | New               |

- (iv) Reallocate between disbursements categories – for future disbursement a new disbursement category will be created for consulting services only;
- (v) Change disbursements estimates to reflect the partial loan cancellation and the new closing date of November 30, 2020;
- (vi) Change risk ratings to reflect the TA nature of the restructured operation; proposed new SORT compared to last ISR is as follows, and main changes explained below:

| <b>Risk</b>  | <b>Rating before restructure (ISR of June 2018)</b> | <b>Rating after restructure</b> |
|--|---|---------------------------------|
| Political and Governance                                     | High  | Substantial                     |
| Macroeconomic  | Low   | Low                             |
| Sector Strategies and Policies                               | Low   | Low                             |
| Technical Design of Project or Program                       | Moderate  | Moderate                        |
| Institutional Capacity for Implementation and Sustainability | High  | Substantial                     |
| Fiduciary  | High  | Moderate                        |
| Environment and Social                                       | High  | High                            |
| Stakeholders   | Moderate  | Moderate                        |
| Other  |   |                                 |
| Overall  | High  | Substantial                     |



Risk ratings are proposed to be changed from High to Substantial for Political and Governance and Institutional Capacity, from High to Moderate for Fiduciary.

- Political and governance: In line with the current context in the country, the political and governance risk is rated Substantial
- Fiduciary: from High to Moderate because most of the procurement has already been completed and the main contract (feasibility study) is already well advanced.
- Institutional Capacity for Implementation risks is reduced from High to Substantial given the reduced scope of the Project.
- Environment and social: the risks remain High as the project will continue to supervise the implementation of the remaining action of the agreed safeguard action plan related to Upper Cisokan. Regarding Matenggeng, the ESIA will continue to be prepared in parallel with the Feasibility Study and Land Acquisition and Resettlement Action Plan.

Overall the risk of the project is now considered substantial.

- (vii) Change in the loan closing date from December 31, 2018 to November 30, 2020 to accommodate the longer time needed to complete the engineering and design study, as well as the ESIA under Component 3. The requested additional 23 months of implementation are deemed to be sufficient to carry out activities under Component 3 as specified in the revised and agreed implementation plan<sup>2</sup>.
- (viii) Change in the legal covenants with some clauses dropped due to the cancelled Components 1 and 2 of the Project, as shown in legal covenants table below
- (ix) Change in implementation schedule as appropriate to the new closing date; a revised implementation plan has been prepared and agreed with PLN to complete project activities by the new closing date.
- (x) Change in technical analysis: the technical analysis which was required before the start of construction is no longer needed because of the cancellation of Component 1 and 2;
- (xi) Change in economic and financial analysis (no longer needed): due to the TA nature of the restructured project, economic and financial analysis as envisaged at appraisal is no longer required. However, the economic and financial analysis of Matenggeng will be conducted as part of the feasibility studies conducted under the project
- (xii) Change in social and environmental analysis as described in the related Restructuring ISDS approved in December 22, 2017. Project remains a Category A operation. A new safeguard policy is triggered (OP/BP 4.36 Forests), because ongoing studies for Matenggeng show that the future construction might have some impact on forests. Existing documents and safeguard instruments remain relevant and have all been disclosed for the original project.

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<sup>2</sup> Project Implementation Plan has been revised. The latest version of the plan was last updated on December 11, 2018.





Furthermore, the project name will be changed to “Pumped Storage Technical Assistance Project.” All related changes to the main revisions are outlined below. This is the first restructuring of the project.

### III. SUMMARY OF CHANGES

|  | Changed | Not Changed |
|--|---------|-------------|
| Project's Development Objectives             | ✓       |             |
| Results Framework                            | ✓       |             |
| Components and Cost                          | ✓       |             |
| Loan Closing Date(s)                         | ✓       |             |
| Reallocation between Disbursement Categories | ✓       |             |
| Disbursement Estimates                       | ✓       |             |
| Overall Risk Rating                          | ✓       |             |
| Safeguard Policies Triggered                 | ✓       |             |
| Legal Covenants                              | ✓       |             |
| Implementation Schedule                      | ✓       |             |
| Other Change(s)                              | ✓       |             |
| Economic and Financial Analysis              | ✓       |             |
| Technical Analysis                           | ✓       |             |
| Social Analysis                              | ✓       |             |
| Environmental Analysis                       | ✓       |             |
| Implementing Agency                          |         | ✓           |
| DDO Status                                   |         | ✓           |
| Cancellations Proposed                       |         | ✓           |
| Disbursements Arrangements                   |         | ✓           |
| EA category                                  |         | ✓           |
| Institutional Arrangements                   |         | ✓           |
| Financial Management                         |         | ✓           |
| Procurement                                  |         | ✓           |



**IV. DETAILED CHANGE(S)**

**PROJECT DEVELOPMENT OBJECTIVE**

**Current PDO**

The development objective is to significantly increase the peaking capacity of the power generation system in Java-Bali in an environmentally and socially sustainable way and strengthen the institutional capacity of the project implementing entity (PLN) in hydro-power planning, development and operation.

**Proposed New PDO**

The objective of the Project is to strengthen the institutional capacity of PT Perusahaan Listrik Negara (Persero) for planning and preparation of pumped storage and hydropower projects.

**COMPONENTS**

| <b>Current Component Name</b>  | <b>Current Cost (US\$M)</b> | <b>Action</b>       | <b>Proposed Component Name</b>   | <b>Proposed Cost (US\$M)</b> |
|--|-----------------------------|---------------------|--|------------------------------|
| Development of the Upper Cisokan Pumped Storage Power Project  | 703.36                      | Revised             | Development of the Upper Cisokan Pumped Storage Power Project  | 25.00                        |
| Social and Environmental Impact management   | 84.70                       | Marked for Deletion | Social and Environmental Impact management   | 0.00                         |
| Feasibility Study and Preparation of Basic Design and Bid Documents for Matenggeng Pumped Storage Power Project, and related capacity building | 12.00                       | Revised             | Feasibility Study and Preparation of Basic Design and Bid Documents for Matenggeng Pumped Storage Power Project, and related capacity building | 19.00                        |
| <b>TOTAL</b>   | <b>800.06</b>               |                     |  | <b>44.00</b>                 |

**LOAN CLOSING DATE(S)**

| <b>Ln/Cr/Tf</b> | <b>Status</b> | <b>Original Closing</b> | <b>Revised Closing(s)</b> | <b>Proposed Closing</b> | <b>Proposed Deadline for Withdrawal Applications</b> |
|-----------------|---------------|-------------------------|---------------------------|-------------------------|--|
| IBRD-80570      | Effective     | 31-Dec-2018             |                           | 30-Nov-2020             | 30-Mar-2021  |

**REALLOCATION BETWEEN DISBURSEMENT CATEGORIES**

| <b>Current Allocation</b> | <b>Actuals + Committed</b> | <b>Proposed Allocation</b> | <b>Financing % (Type Total)</b> |
|---------------------------|----------------------------|----------------------------|---------------------------------|
|                           |                            |                            |                                 |



# The World Bank

Upper Cisokan Pumped Storage Hydro-Electrical Power (1040 MW) Project (P112158)

|                                |  |                      |                      | Current | Proposed |
|--------------------------------|--|----------------------|----------------------|---------|----------|
| IBRD-80570-001   Currency: USD |  |                      |                      |         |          |
| iLap Category Sequence No: 1   | Current Expenditure Category: Gds,wrks,non-CS, CS of prt 1&3 of Original Project |                      |                      |         |          |
| 44,000,000.00                  | 35,591,152.69  | 35,592,345.43        | 100.00               | 100.00  |          |
| iLap Category Sequence No: 2   | Current Expenditure Category: Consulting Services under the Project              |                      |                      |         |          |
| 0.00                           | 0.00   | 8,407,654.57         |                      | 100     |          |
| <b>Total</b>                   | <b>44,000,000.00</b>   | <b>35,591,152.69</b> | <b>44,000,000.00</b> |         |          |

## DISBURSEMENT ESTIMATES

Change in Disbursement Estimates

Yes

| Year | Current        | Proposed      |
|------|----------------|---------------|
| 2011 | 0.00           | 0.00          |
| 2012 | 0.00           | 0.00          |
| 2013 | 8,000,000.00   | 2,053,966.77  |
| 2014 | 82,000,000.00  | 1,914,850.96  |
| 2015 | 150,000,000.00 | 1,917,753.25  |
| 2016 | 150,000,000.00 | 24,182,666.82 |
| 2017 | 130,000,000.00 | 2,930,762.20  |
| 2018 | 70,000,000.00  | 1,076,216.11  |
| 2019 | 50,000,000.00  | 3,500,000.00  |
| 2020 | 0.00           | 4,000,000.00  |
| 2021 | 0.00           | 2,423,783.89  |



**SYSTEMATIC OPERATIONS RISK-RATING TOOL (SORT)**

| Risk Category  | Rating at Approval | Current Rating |
|--|--------------------|----------------|
| Political and Governance                                     |                    | ● Substantial  |
| Macroeconomic  |                    | ● Low          |
| Sector Strategies and Policies                               |                    | ● Low          |
| Technical Design of Project or Program                       |                    | ● Moderate     |
| Institutional Capacity for Implementation and Sustainability |                    | ● Substantial  |
| Fiduciary  |                    | ● Moderate     |
| Environment and Social                                       |                    | ● High         |
| Stakeholders   |                    | ● Moderate     |
| Other  |                    |                |
| Overall  |                    | ● Substantial  |

**COMPLIANCE**

**Safeguard Policies**

| Safeguard Policies Triggered                                   | Current | Proposed |
|--|---------|----------|
| Environmental Assessment (OP) (BP 4.01)                        | Yes     | Yes      |
| Performance Standards for Private Sector Activities OP/BP 4.03 | No      | No       |
| Natural Habitats (OP) (BP 4.04)                                | Yes     | Yes      |
| Forests (OP) (BP 4.36)   | No      | Yes      |
| Pest Management (OP 4.09)                                      | No      | No       |
| Physical Cultural Resources (OP) (BP 4.11)                     | Yes     | Yes      |
| Indigenous Peoples (OP) (BP 4.10)                              | No      | No       |
| Involuntary Resettlement (OP) (BP 4.12)                        | Yes     | Yes      |
| Safety of Dams (OP) (BP 4.37)                                  | Yes     | Yes      |
| Projects on International Waterways (OP) (BP 7.50)             | No      | No       |
| Projects in Disputed Areas (OP) (BP 7.60)                      | No      | No       |

**LEGAL COVENANTS**



| Loan/Credit/TF | Description   | Status        | Action    |
|----------------|---|---------------|-----------|
| IBRD-80570     | Finance Agreement :Loan Agreement   Description :Subsidiary Loan Agreement between Borrower and PLN is executed prior to Effectiveness Date   Due Date :28-May-2012   | Complied with | No Change |
| IBRD-80570     | Finance Agreement :Loan Agreement   Description :Location Determination for the Project is issued prior to Effectiveness Date   Due Date :12-Jan-2012   | Complied with | No Change |
| IBRD-80570     | Finance Agreement :Loan Agreement   Description :PLN follows Project Implementation Plan, Procurement Manual, Anti-Corruption Guidelines   Frequency :Quarterly   | Complied with | No Change |
| IBRD-80570     | Finance Agreement :Loan Agreement   Description :PLN has its financial statements audited by independent auditors acceptable to the Bank and in accordance with terms of reference satisfactory to the Bank   Frequency :Yearly   | Complied with | No Change |
| IBRD-80570     | Finance Agreement :Project Agreement   Description :PLN to appoint a Project Engineer with qualifications, experience and terms of reference satisfactory to the Bank within 90 days ofEffectiveness Date   Due Date :18-May-2012 | Complied with | No Change |
| IBRD-80570     | Finance Agreement :Project Agreement   Description :PLN to establish Procurement Committees for the Project within 30 days after Effectiveness Date   Due Date :20-Feb-2012   | Complied with | No Change |
| IBRD-80570     | Finance Agreement :Project Agreement   Description :PLN to maintain Independent Environmental and Social Panel and Independent Project Review Panel at all times until Project Completion   Frequency :Yearly                     | Complied with | No Change |



|            |  |               |                     |
|------------|--|---------------|---------------------|
| IBRD-80570 | Finance Agreement :Project Agreement   Description :PLN to maintain a debt service coverage ratio of not less than 1.5 times   Frequency :Yearly   | Complied with | No Change           |
| IBRD-80570 | Finance Agreement :Project Agreement   Description :PLN not to commence any bid tendering for civil works (excluding access road) and not to withdraw the proceeds of the Loan for any such civil works until all final designs have been reviewed by the PRP and are acceptable to PLN and the Bank   Frequency :CONTINUOUS   | Complied with | Marked for Deletion |
| IBRD-80570 | Finance Agreement :Loan Agreement   Description :Project is carried out in accordance with the provisions of the EMP and supporting plans, LARAP and the Dam Safety Plan   Frequency :CONTINUOUS   | Complied with | No Change           |
| IBRD-80570 | Finance Agreement :Loan Agreement   Description :Part 2 of the Project (land acquisition, resettlement and rehabilitation) is financed exclusively out of Borrower's own resources and not out of the proceeds of the Loan   Frequency :CONTINUOUS   | Complied with | Marked for Deletion |
| IBRD-80570 | Finance Agreement :Project Agreement   Description :Prior to commencing any activities related to small hydropower plant PLN shall prepare applicable environmental and safeguards documents in compliance with the Bank's policies in form and substance acceptable to the Bank; obtain Bank's no-objection, adopt and locally disclose documents and implement all actions required in a manner satisfactory to the Bank   Frequency :CONTINUOUS | Complied with | Marked for Deletion |
| IBRD-80570 | Finance Agreement :Project Agreement   Description :Independent monitor shall assess loss of assets, income sources or livelihood with respect to work undertaken along the ROW of the access road and in the event of any such losses PLN shall implement measures in   | Complied with | Marked for Deletion |



|            |  |               |                     |
|------------|--|---------------|---------------------|
|            | accordance with the provisions of the LARAP   Frequency :CONTINUOUS  |               |                     |
| IBRD-80570 | Finance Agreement :Project Agreement   Description :PLN shall provide replacement land for the productive forest land acquired for the purpose of the Project in accordance with the guidelines set out by the Ministry of Forestry   Frequency :CONTINUOUS  | Complied with | Marked for Deletion |
| IBRD-80570 | Finance Agreement :Project Agreement   Description :In carrying out Part 3 of the Project (Matenggeng feasibility study) PLN shall prepare environmental and social safeguards documents in accordance with Bank guidelines including measures for public consultation and disclosure.   Frequency :CONTINUOUS | Complied with | No Change           |
| IBRD-80570 | Finance Agreement :Loan Agreement   Description :Monitor and evaluate Project progress and prepare semi-annual Project Reports on the basis of the agreed indicators as well as quarterly, interim unaudited financial reports for the Project.   Frequency :CONTINUOUS  | Complied with | No Change           |



Results framework

COUNTRY: Indonesia

Upper Cisokan Pumped Storage Hydro-Electrical Power (1040 MW) Project

Project Development Objectives(s)

The development objective is to significantly increase the peaking capacity of the power generation system in Java-Bali in an environmentally and socially sustainable way and strengthen the institutional capacity of the project implementing entity (PLN) in hydro-power planning, development and operation.

Project Development Objective Indicators by Objectives/ Outcomes

| Indicator Name  | DLI | Baseline   | End Target   |
|---|-----|--|--|
| <b>Strengthen PLN institutional capacity for planning and preparation of pumped storage and hydropower (Action: This Objective is New)</b>    |     |  |  |
| Improved capability of PLN in planning and preparation of hydropower pumped storage projects in accordance with international practice (Text) |     | PLN has no capability for preparation of pumped storage projects | PLN is capable of preparing pumped storage projects as evidenced by the preparation of feasibility study, basic design and bid documents for Matenggeng HPPS |
| <b>Action: This indicator is New</b>  |     |  |  |

Intermediate Results Indicators by Components

| Indicator Name  | DLI | Baseline | End Target |
|---|-----|----------|------------|
| <b>1. Development of the Upper Cisokan Pumped Storage Power Plant (Action: This Component is New)</b> |     |          |            |
| Bidding documents prepared for Upper Cisokan HPPS (Yes/No)  |     | No       | Yes        |
| <b>Action: This indicator is New</b>  |     |          |            |
| Resettlement compensation: households fully compensated. (Yes/No)                                     |     | No       | Yes        |





| Indicator Name  | DLI | Baseline | End Target |
|---|-----|----------|------------|
| <i>Action: This indicator is New</i>  |     |          |            |
| <b>2. Social and Environmental Impact Management (Action: This Component is New)</b>  |     |          |            |
| ESMP and LARAP for Matenggeng HPPS prepared and approved by PLN (Yes/No)  |     | No       | Yes        |
| <i>Action: This indicator is New</i>  |     |          |            |
| <b>3. Feasibility Study and Preparation of Design and Bid Documents for Matenggeng HPPS (Action: This Component is New)</b> |     |          |            |
| Feasibility Study for Matenggeng HPPS finalized by PLN (Yes/No)   |     | No       | Yes        |
| <i>Action: This indicator is New</i>  |     |          |            |
| Design finalized and Bid Documents for Matenggeng approved by PLN management (Yes/No)                                       |     | No       | Yes        |
| <i>Action: This indicator is New</i>  |     |          |            |



## The World Bank

Upper Cisokan Pumped Storage Hydro-Electrical Power (1040 MW) Project (P112158)

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