Social and Environmental Safeguards for Infrastructure Finance supported by Multilateral Development Banks

The case of Indonesian Infrastructure Financial Intermediaries, Funds, and Investments

Ecological Justice, Indonesian Legal Resource Center (ILRC), TUK Indonesia, WALHI, WALHI Jawa Barat, Indonesia Corruption Watch (ICW), ELSAM, Ulu Foundation, Urgewald, Gender Action, debtWATCH Indonesia (dWI), Center for Indonesia Taxation Analysis (CITA), Biotani Bahari Indonesia, Solidaritas Perempuan, CAPPA Ecological Justice Foundation, Yayasan Pusaka

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Front Cover Photograph:
Fertile ricefields in Batang area, Java. Tommy Apriando

Published on Cooperation :
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Cetakan pertama Juli 2016

ISBN : 978 - 602 - XXXX - XX - X
x+ 50 halaman, ukuran [21 x 27,5]cm;

Design dan Layout - Canting Press Isi diluar tanggung jawab Percetakan Delapan Cahaya Indonesia Printing

Kata Pengantar

Rancangan Kedua Perubahan Sistem Perlindungan Masyarakat dan Lingkungan (*Social and Environmental Safeguard*) Bank Dunia.

Bank Dunia merencanakan perubahan kedua *Social and Environmental Safeguard*, yang dikhawatirkan akan menghilangkan prinsip-prinsip Hak-Hak Azasi Manusia (HAM) sebagai panduan/ referensi kebijakan-kebijakan Bank Dunia terutama dalam memberikan pinjaman kepada negara-negara di belahan selatan planet ini. Terdapat beberapa pendapat kenapa Bank Dunia melakukan perubahan *Social and Environmental Safeguard* tersebut, ada yang beranggapan karena ada kompetisi dengan lembaga keuangan internasional lainnya yaitu AIIB (*Asian Infrastructure Investment Bank*). Di mana AIBB juga memberikan pinjaman kepada negara-negara di belahan selatan planet ini tanpa mencantumkan syarat-syarat adanya perlindungan masyarakat dan lingkungan, khususnya soal perlindungan HAM. Walaupun ternyata Bank Dunia juga terlibat di dalam proyek-proyek yang didanai oleh AIIB tersebut. Kemudian, argumen yang lain juga ternyata ada tekanan di internal Bank Dunia sendiri untuk merubah sistem perlindungan masyarakat dan lingkungan tersebut.

Melemahkan sistem perlindungan masyarakat dan lingkungan akan membawa konsekuensi luas terutama terhadap masyarakat yang terkena dampak dari proyek-proyek yang dibiayai oleh Bank Dunia itu sendiri, dan juga proyek-proyek yang dibiyai oleh AIIB di mana Bank Dunia juga terlibat. Beberapa anggota Kongres Amerika Serikat (AS) juga menolak pelemahan sistem perlindungan masyarakat dan lingkungan tersebut. Ini mengindikasikan di tingkat domestik AS, AS sebagai pemegang saham terbesar di Bank Dunia, belum sepenuhnya menyetujui pelemahan sistem perlindungan masyarakat dan lingkungan ini. Sementara Indonesia sebagai anggota Bank Dunia belum jelas posisinya, padahal belajar dari kasus-kasus sebelumnya atas proyek-proyek yang didanai oleh Bank Dunia baik langsung atau tidak langsung di Indonesia telah menimbulkan dampak yang besar terhadap masyarakat seperti proyek Pusat Listrik Tenaga Uang (PLTU) di Batang Jawa Tengah dan Pembangunan Waduk Kedung Ombo.

Berbagai organisasi masyarakat sipil lokal dan internasional menolak pelemahan sistem perlindungan masyarakat dan lingkungan tersebut, karena seperti dijelaskan di atas prinsip-

prinsip HAM akan diabaikan dalam menentukan pemberian pinjaman/mendanai proyek-proyek infrastruktur, begitu juga pertimbangan perlindungan lingkungan akan diabaikan oleh rancangan kedua perubahan sistem masyarakat dan lingkungan tersebut. Kertas posisi ini merupakan sikap dari sejumlah organisasi masyarakat sipil yang menolak pelemahan sistem perlindungan masyarakat dan lingkungan Bank Dunia tersebut.

Kami berhadap sistem perlindungan masyarakat dan lingkungan Bank Dunia tetap mempertahankan prinsip-prinsip penghormatan HAM dan perlindungan lingungan hidup di masa depan karena dengan demikian akan tetap ada jaminan bahwa proyek-proyek infrastrukur yang didanai oleh Bank Dunia tidak melanggar HAM dan perlindungan lingkungan hidup ke depannya.

Jakarta, 29 Juni 2016

Uli Parulian Sihombing

Direktur Eksekutif ILRC

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Abbreviations

ADB	Asian Development Bank
AIIB	Asia Infrastructure Investment Bank
DEG	Deutsche Investitions- und Entwicklungsgesellschaft GmbH
IFC	International Finance Corporation
IIF	PT. Indonesian Infrastructure Finance
IIFD	Indonesian Infrastructure Finance Development Technical Assistance Project
IIFG	PT. Indonesian Infrastructure Finance (Dana Penjaminan Infrastruktur Indonesia)
IIFDTF	Indonesian Infrastructure Finance Development Technical Assistance Project
MoF	Indonesian Ministry of Finance
RIDF	Indonesian Regional Infrastructure Development Fund
SMI	PT Sarana Multi Infrastruktur
WB	World Bank

Executive Summary

Social and Environmental Safeguards for Infrastructure Finance supported by Multilateral Development Banks

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April 2016

Executive Summary

Infrastructure is of vital importance for development. Large-scale infrastructure projects, however, if developed without careful attention to impacts on the environment and communities, carry severe risks of mass impoverishment, permanent loss of livelihoods, violent conflict and human rights violations, as well as irreversible environmental damage. The latter includes the destruction of forests, biodiversity, coastal areas and river systems, as well as massive greenhouse gas emissions. This causes irreparable harm to women, children, and men in the affected communities, including indigenous peoples.

The impacts of ill-conceived large-scale infrastructure projects on women can be especially pernicious and are often irreversible.This occurs, for example, by eliminating women's farming and fishing livelihoods, while employment in construction and office jobs is almost exclusively limited to men. This increases women's dependence on men, often driving women and young girls into sex work out of economic desperation. The rampant spread of sexually-transmitted infections, human trafficking and violence against women and children are also part of this dismal picture

A farmer looks at a lengthy metal fence erected on 24 March 2016 through her highly productive rice fields by Batang coal power plant developers in Java, Indonesia. The protest signs posted on the new fence state "Power plant seizes our lands and livelihoods." Photo: Tommy Apriando

Indonesian Infrastructure

The Indonesian government has developed a national plan to meet its gap in infrastructure finance through a "Fast Track Program" (FTP) to develop, among other things, more than 40 coal power plants, 40 geothermal plants (likely to be situated in forested areas), mega-hydropower projects and nuclear plants, potentially including a Russian-designed "floating nuclear power plant," and thousands of kilometers of roads or controversial coal-transport railways through biodiversity-rich forested areas of Kalimantan, Sumatra, West Papua and elsewhere. These forested areas are inhabited by indigenous and other forest-dependent communities. The FTP has only slowly been implemented but Indonesia's current President has vowed to ramp up implementation, including by seeking funds from multilateral development banks, such as the World Bank Group, Asian Development Bank and the new Beijing-based Asian Infrastructure Investment Bank.

A wide range of civil society organizations have expressed deep concerns about infrastructure finance supported by multilateral development banks and bilateral donors, especially when channeled through opaque financial intermediaries[1].

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1 See, for example, Letter to World Bank President and IFC President regarding concerns about Indonesian Infrastructure Financial Intermediaries, Funds, Investments and Projects, 12 April 2016. www.safeguardcomments.org, GresNews, World Bank Loans Pose High Social and Environmental Risks, 18 April 2016, Jakarta; Waspada.co.id, Pendanaan Bank Dunia di Indonesia berdampakBuruk, 16 April 2016; Industri.Bisnis.com, Bank DuniaDimintaBenahiPanduanAkuisisiLahan Dan Lingkungan, 17 April 2016; SuaraMerdeka, Dana Bank DuniauntukInfrastrukturAncamMasyarakat, 17 April 2016;

Environmentalists in Kalimantan warn that the planned Borneo Coal Railway will lead to environmental devastation in remote forested regions. Photo: Coal in East Kalimantan byHendar; Source: Mongobay[2]

The infrastructure sector presents a high risk of corruption. For example, Indonesian Corruption Watch identified 139 corruption cases in the infrastructure sector under investigation by authorities in Indonesia, with the transportation sector dominating these cases[3]. The increasing use of non-transparent financial intermediaries will only worsen the situation.

A telling example of the existing problems with MDB support for opaque infrastructure financial intermediaries is provided by the case of the India Infrastructure Fund, which is managed by the Infrastructure Development and Finance Company Limited (IDFC).[4] The World Bank Group and Asian Development Bank have long supported the IDFC and the India Infrastructure Fund was launched with a pledge of over $1 billion from the International Finance Corporation (IFC), the World Bank´s lending arm to the private sector. Communities were directly harmed by the investments of theIndia Infrastructure Fund, which included the 1050 MW coal-fired Kamalanga power plant, and filed a complaint with the IFC's Compliance Advisor Ombudsman (CAO).

Following its investigation of the complaint, the CAO released its report in January 2016, documenting enormous problems including a lack of proper pre-investment due diligence, a failure to sufficiently review the Infrastructure Fund's "capacity to manage E&S risks." The report concluded that IFC "lacked a basis to conclude that its investment in the Fund could meet" safeguard requirements; that the IFC failed to incorporate Environmental and Social (E&S) requirements into agreements with the Infrastructure Fund; that there was insufficient supervision to ensure projects were designed to comply with safeguards; and, finally, that disbursement of IFC funds

[2] Mongobay.co.id. RelKereta Batubara Kaltim: MembukaPotensiEksploitasiHinggaPedalaman Kalimantan Timur, February 20, 2014; OrganisasiLingkunganKaltengRamai-ramaiTolakRencanaRelKeretaKhusus Batubara, September 28, 2013.

[3] Indonesian Corruption Watch, TREN PENYIDIKAN KASUS KORUPSI - 2015 SEMESTER I, 2015.

[4] IFC CAO, http://www.cao-ombudsman.org/cases/case_detail.aspx?id=165, accessed 18 April 2016.

occurred without ensuring that the contractually agreed E&S conditions were met. Further, the report found that, despite the unsatisfactory E&S performance of the financial intermediary, IFC made additional new investments, and failed to supervise financial intermediary's compliance with disclosure requirements. All of which led to devastating, and potentially irreversible, impacts on affected communities and the environment, specifically those affected by the Infrastructure Fund's showcase investment in the 1050 MW coal-fired Kamalanga power plant.

There are serious concerns that the problems plaguing the India fund continue to plague similar investments in Indonesia. According to the World Bank and the ADB, India's Infrastructure Development and Finance Company is the model that provided the design for PT. Indonesian Infrastructure Finance (PT. IIF)[5] where the IFC, Asian Development Bank and Germany's DEG hold a combined total of over 50% of PT. IIF's equity.

"All of institutions involved in this Project have no experience in implementing environmental and social safeguards policy." – World Bank comments on PT. Indonesia Infrastructure Finance

Major Problems to Date:

- **Operations Manual still not made public**. Unfortunately, despite requests by civil society, IIF's Operations Manual which contains the rules for ensuring how project proponents must fulfill consultation, information disclosure and other environmental and social standards of the World Bank, IFC, and ADB has not been made public.
- **Problems with risk categorization**. Despite the IFC's evaluation of IIF's work as "high risk", the World Bank assessed, as recently as 2015, that IIF presented an overall low risk profile, including "low" environmental and social risks.[6] The Bank's IIF 2015 Implementation Status and Results Report for IIF finds that IIF presents only a "*medium*" governance risk, despite the Bank's finding, in an earlier assessment that "the infrastructure industry in Indonesia has a high risk of corruption. driven not only by the government.
- but also by the contractors, consultants and respective associations as well as the structure of the industry itself."
- **Lack of other basic information provided to public, including**:
  - o No environmental/social assessments made available for public comment **prior to appraisal or approval**;

5 For example: ADB,Report and Recommendation of the President to the Board of Directors, Project Number: 42109 March 2009, Proposed Loan and Equity Investment Republic of Indonesia: Indonesian Infrastructure Financing Facility Company Project"ADB's resources for financing private sector infrastructure projects are limited. IIFF presents an opportunity for ADB to leverage those resources in Indonesia, where infrastructure shortages are critical and national government funds are limited. The approach is based upon ADB's successful support of Infrastructure Development Finance Company Limited (IDFC) in India. ADB's financing support for IDFC was intended to be a model for other developing member countries seeking institutional arrangements to stimulate infrastructure sector reform, private sector participation in infrastructure finance, and domestic debt market development

6 World Bank, Implementation Status & Results Report, Indonesia Infrastructure Finance Facility (P092218), 6/25/2015

- **No list of projects in pipeline**, including high risk projects;
- **No monitoring or evaluation reports** made public.
- No documents **demonstrating compliance with safeguard standards of World Bank, IFC**, ADB, including information disclosure, consultation, etc. For example, the documents recently published on the IIF website (and not on the ADB, WB or IFC website) consist of Indonesian "AMDAL" (Environmental Impact Assessment) reports. Indonesian requirements for public consultation during EIA preparation are far below those of the ADB, World Bank and IFC and do not meet ADB, WB, IFC safeguard standards for consultation.
- **No schedule of public consultations** for high risk IIF projects in the pipeline. There is no indication of public consultation process in compliance with ADB, WB or IFC standards for any activities undertaken by IIF.
- **Use of borrower systems without following the mandatory due diligence requirements**. This project appears to be using "borrower systems"- including local rules for Environmental Impact Assessment (AMDAL) -- which do not meet MDB standards for public consultation and information disclosure -- but it does not appear that the ADB orWorld Bank has adhered to their mandatory detailed assessment of borrower systems which are required to ensure that borrower systems are at least equivalent to those of the World Bank or the ADB[7]. According to the World Bank's brief assessment of borrower capacity (noted on the Integrated Safeguards Datasheet at project Appraisal), "**all of institutions involved in this Project haveno experience in implementing environmental and social safeguards policy.**" The World Bank noted that "it is very likely that many of the subprojects financed by the IIF will have moderate to significant short- and/or long-term impacts.[8]"

With support from the World Bank Group, the first guarantee issued by the PT. Indonesia Infrastructure Guarantee Fund, is for a **Southeast Asia's largest coal-fired power plant project, located in Java in Batang regency.** Construction has been delayed for years as a result of conflicts with local villagers who have been facing eviction from their lands and threats to their livelihoods. The guarantee has not yet been activated due to land conflicts and the lack of "financial closure" of the project deal. It is estimated that the Batang power plants will emit 10.8 million tonnes of CO_2 per year, equivalent to 2.6% of Indonesian energy sector's emissions in 2010.[9]

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7 For example, the World Bank Country Systems Safeguard (CSS) details over 60 points of comparison that must be made with various WB requirements for environmental assessment, resettlement, Indigenous Peoples, natural habitat, etc. found in Table 1A of the CSS.

8 World Bank, IIF, Integrated Safeguards Datasheet, Appraisal Stage

9 Greenpeace, The True Cost of Coal Abuses: Health impacts and Risks Associated with Indonesia's Batang Coal Fired Power Plant Project, Greenpeace Briefing Paper, March 2014

Farmers stage a protest in their rice fields which are slated to be the site of the controversial Batang power plants. Photo: Tommy Apriando

The ADB's Role.

The ADB is directly involved with PT Indonesian Infrastructure Finance (PT IIF). In 2009, the ADB proposed an equity investment of up to $40 million (“ the ADB’s first equity investment in a nonbank financial institution in Indonesia”[10]) in the start-up of the Indonesian Infrastructure Financing Facility Company and a loan to the newly created PT Sarana Multi Infrastruktur (PT. SMI), wholly owned by the Indonesian Ministry of Finance, on the condition that PT. SMI would “on-loan” these funds to the newly-created PT. IIF.[11] The $100 million loan to PT. SMI closed in December 2014 and, according to the website of PT. IIF, the ADB still remains an equity shareholder of PT IIF, along with the IFC and Germany’s Deutsche Investitions- und Entwicklungsgesellschaft GmbH as well as the Indonesian Finance Ministry-owned PT. Sarana Multi Infrastruktur. According to World Bank Group policy, the IFC must apply current Performance Standard requirements to all IFC equity investments, regardless of when they were initiated[12]. It is unclear how the ADB applies its Safeguards to such investments.

10 Report and Recommendation of the President to the Board of Directors, Project Number: 42109, March 2009 Proposed Loan and Equity Investment, Republic of Indonesia: Indonesian Infrastructure Financing Facility Company Project, www.adb.org

11 ADB to Invest $140 Million in Indonesian Fund to Boost Infrastructure, 1 April 2009; Report and Recommendation of the President to the Board of Directors, Project Number: 42109, March 2009 Proposed Loan and Equity Investment, Republic of Indonesia: Indonesian Infrastructure Financing Facility Company Project, www.adb.org

12 According to the Compliance Advisory Ombudsman of the IFC, current IFC Performance Standards apply to all IFC equity investments currently held by the IFC, regardless of start date of the initial IFC equity investment. Meeting with NGOs and CAO, 6 April 2016.

Full Implementation of Mandatory Safeguard Requirements is Urgent

Safeguards at the World Bank, IFC and ADB may provide a measure of protection for project-affected communities and the environment if they are implemented, which does not appear to be the case with the Indonesian infrastructure funds. It also appears that multilateral development banks and bilateral donors have failed to implement proper due diligence, including regarding decisions to use borrower systems for environmental and social safeguards in infrastructure investment. In addition, as MDBs initiate partnerships and co-financing with the new Asian Infrastructure Investment Bank, given the weakness of the AIIB safeguards compared to those of the other MDBs, the full implementation of existing MDB safeguards will take on added importance for co-financed initiatives.

Given the high environmental, social and governance risks of infrastructure investments and, specifically, infrastructure financial intermediaries, mandatory safeguard requirements for robust public consultation, transparency, information disclosure and social and environmental impact assessment are of the highest importance.

This report focuses on five Indonesian infrastructure funds and projects supported by a range of Multilateral Development Banks including the ADB, World Bank and the IFC, and includes on-going investments as well as projects currently under development.

PT. Indonesian Infrastructure Finance (IIF) : WB support; Equity held by IFC, ADB, Germany's DEG (with IFC, ADB and DEG, combined, holding over 50% of IIF equity); AUSAID support for business plan..

PT. Indonesian Infrastructure Finance (IIGF) : World Bank support, guaranteeing coal power plants, including the controversial 2 x 1000 MW Batang mega-coal plants, with IFC as lead advisor.

Indonesian Infrastructure Finance Development Project (IIFD) : World Bank – project in pipeline.

Indonesian Regional Infrastructure Development Fund (RIDF) : World Bank, Switzerland – $500 million project in pipeline.

Indonesia Infrastructure Finance Development Trust Fund (IIFDTF) : World Bank, Canadian Trust Fund.

Introduction

Concurrent with the launch of the Asian Infrastructure Investment Bank (AIIB), other banks including the World Bank (WB), the International Finance Corporation (IFC), and the Asian Development Bank (ADB) have indicated an increased commitment to large-scale infrastructure investments and to the use of financial intermediaries, including a range of private and publicly held funds, to channel and guarantee such investments. Clearly, transportation networks and power generation are of vital importance. However, the IFC and the IFC'sCompliance Advisor Ombudsman (CAO) have underscored that infrastructure investments such as those likely to be supported by financial intermediaries are associated with a high risk of forced displacement, environmental destruction, and corruption[13]. There are concerns that the proposed increase in finance for mega-infrastructure projects will lead to significant impacts on forests and the rights, lives, and livelihoods of forest-dependent communities. An examination of some of these infrastructure funds, such as those established in Indonesia, is vitally important in light of likely proposed investments and co-finance with other multilateral development banks by the Asian Infrastructure Investment Bank.

This briefing paper focuses on five Indonesian infrastructure funds and projects supported by a range of Multilateral Development Banks including the ADB, World Bank and the IFC, and include on-going investments as well as projects currently under development, some of which are scheduled for approval in 2016, including:

1. **PT. Indonesian Infrastructure Finance (IIF) :** WB support; IFC, ADB, Germany DEG over 50% equity combined total;AUSAID support for business plan;
2. **PT. Indonesian Infrastructure Finance (IIGF) :** WB support. IIGF's first attempted guarantee was for two controversial 1000MWBatangcoal power plants, likely to emit 10.8 million tonnes of CO_2 per year, equivalent to 2.6% of Indonesian energy sector's emissions in 2010. This project has been plagued by years of delays as a result of conflicts with local villagers facing eviction from their lands and threats to their livelihoods[14]. The

13 See, for example, IFC, Governance Action Plan IIFF,Pg 109.

14 Greenpeace, op cit.;Police arrest 43 peaceful coal power plant protesters in front of State Palace, Oct. 6, 2015,http://jakarta.coconuts.co/2015/10/06/police-arrest-43-peaceful-coal-power-plant-protesters-front-state-palace;Jakarta Globe: Residents

IIGF guarantee has not yet been activated due to land conflicts and the lack of “financial closure” of the project deal.

3. **Indonesian Infrastructure Finance Development Project (IIFD) :** WB – project in pipeline.
4. **Indonesian Regional Infrastructure Development Fund (RIDF)** : WB, Switzerland – $500 million project in pipeline;
5. **Indonesia Infrastructure Finance Development Trust Fund (IIFDTF)** : WB, Canadian Trust Fund

Overarching concerns about existing and proposed World Bank, IFC, and ADB support for a range of Indonesian infrastructure funds and initiatives include:

- The lack of public disclosure of documents pertaining to current projects and those in the pipeline;
- The lack of materials in Indonesian language;
- The lack of public consultation, including mandatory public consultation on environmental and social assessments prior to appraisal (approximately 120 days prior to Board vote);
- Violations of and failure to implement WB, IFC, ADB environmental and social safeguard requirements, including those pertaining to content and consultation processes for social and environmental assessments, forced resettlement, Indigenous rights, due diligence requirements prior to the use of Country Systems (CSS), etc.
- Mis-categorization of environmental and social risks.

It is important to note that a lack of public information is the characteristic of these funds, projects and investments. We have attempted to compile available information but the public understanding of these entities and proposed entities is incomplete and, at times, conflicting information has been made public, or has been posted on different websites without notice to the civil society organizationsinvolved in attempting to monitor these projects and investments.

Continue Fight Against Batang Power Plant, http://jakartaglobe.beritasatu.com/news/residents-continue-fight-batang-power-plant, 3/30/15; People living in Batang protest against PLTU in Indonesia, 7/22/13.http://news.xinhuanet.com/english/photo/2013-07/22/c_132563353.htm;The True Cost of Coal Abuses: Health impacts and Risks Associated with Indonesia’s Batang Coal Fired Power Plant Project, Greenpeace Briefing Paper, March 2014.

Sign next to a metal fence which was installed in late March 2016 through farmers' rice fields which have been designated to be used for the controversial Batang 2 x 1000 MW power plants: "Forbidden to enter and/or use land in the area of the power plant: THREAT OF PENALTY: [prison and fines]." Photo: Tommy Apriando

Indonesian Infrastructure Financial Intermediaries and Funds

Substantial concerns have already been expressed by civil society about existing and planned MDB-supported infrastructure financial intermediaries in Indonesia, including significant problems with access to information, consultation, environmental and social risk assessment, the failure to adhere to environmental and social safeguards and the likely threat to forests, natural resources and resource-dependent communities[15].

It is instructive to examine existing funds such as PT Indonesian Infrastructure Finance (IIF) and PT Indonesian Infrastructure Guarantee Fund (IIGF) along with proposed projects of similar nature, currently in the World Bank Group "project pipeline."

15 See, for example, Letter to World Bank, IFC regarding Indonesian Infrastructure Financial Intermediaries and AIIB co-finance: Ecological Justice, Walhi, Pusaka, ILRC, TuK Indonesia, CAPPA ,BiotaniBahari Indonesia, KIARA, etc. August 2015. http://www.safeguardcomments.org/infrastructure--financial-intermediaries.html.

Background

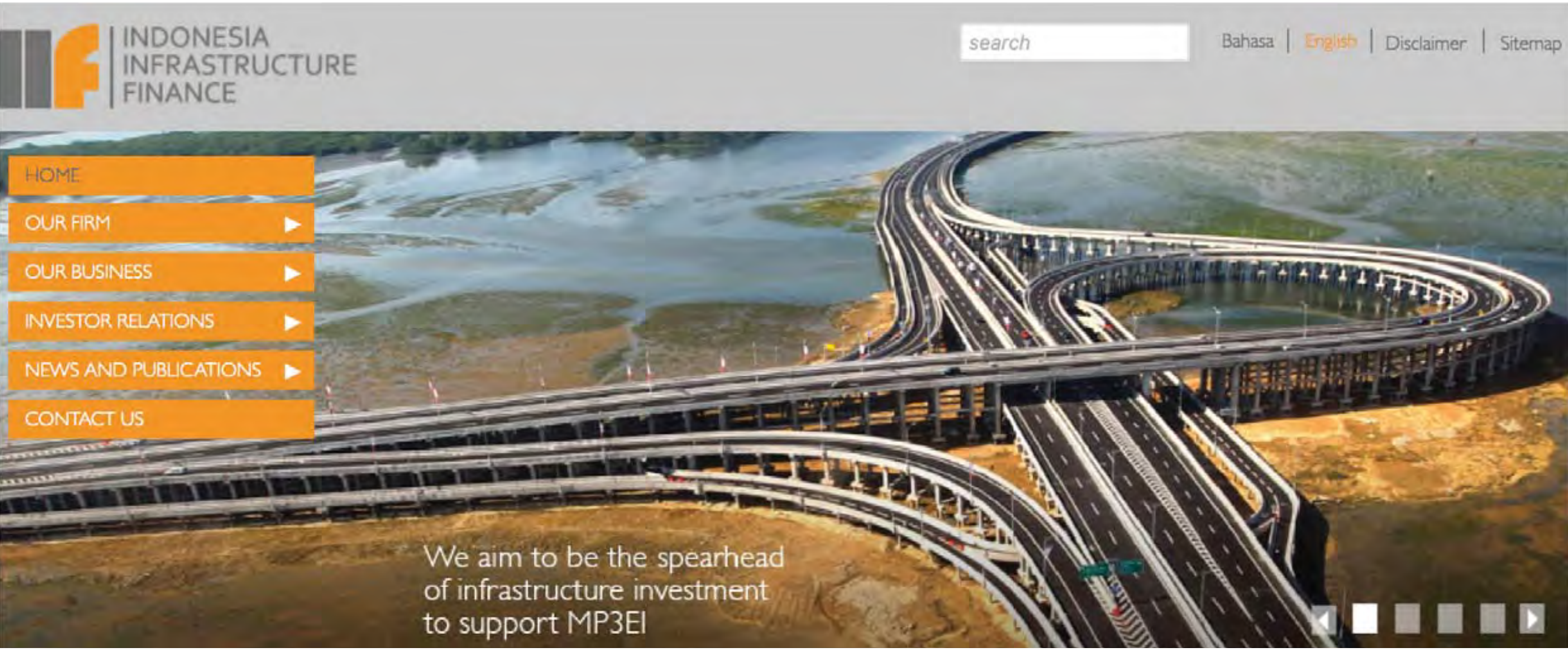
The Indonesian government has developed a national plan to attempt to meet its gap in infrastructure finance through a "Fast Track Program" (FTP) to develop, among other things, more than 40 coal power plants, more than 40 geothermal plants (likely to be situated in forested areas), mega-hydropower projects and nuclear plants, potentially including a Russian-designed "floating nuclear power plant." The FTP has only slowly been implemented but Indonesia's current President has vowed to ramp up implementation, including by seeking funds from MDBs, including the World Bank Group, ADB and AIIB.

The World Bank provided a series of four Development Policy Loans for Indonesia, totaling US$850 million.

Development Policy Loan	Amount	Date Closed
Indonesian Infrastructure DPL	$200 million	2007
Second Indonesian Infrastructure DPL	$200 million	2008
Third Indonesian Infrastructure DPL	$250 million	2009
Fourth Indonesian Infrastructure DPL	$200 million	2010

An outcome of these DPLs- in addition to recommendations for the weakening of environmental legislation and increased facilitation of eviction processes to speed up land acquisition -- was a recommendation that, with multilateral development bank support, the Indonesian government should set up financial intermediaries to support infrastructure development. This led to the establishment of PT. Indonesian Infrastructure Finance and PT. Indonesian Infrastructure Guarantee Fund by Indonesia's Ministry of Finance with the assistance of the World Bank Group, ADB and others.The India Infrastructure Fund – recently cited by the IFC's Compliance Advisory Ombudsman for its failure to ensure proper environmental and social due diligence - was set up by India's Infrastructure Development and Finance Company, cited as the model upon which the

Indonesian Infrastructure Fund was based and, today, serves as a cautionary tale of the problems inherent in such opaque structures.[16]



sumber : www.iif.co.id

1. PT Indonesian Infrastructure Finance (IIF)

PT Indonesian Infrastructure Finance was founded by its "shareholders comprising of 600 billion Indonesian rupiah from the Government of Indonesia through PT Sarana Multi Infrastruktur (Persero) (PT SMI), 400 billion Indonesian rupiah from Asian Development Bank (ADB), 400 billion Indonesian rupiah from International Finance Corporation (IFC), and 200 billion Indonesian rupiah from DEG - Deutsche Investitions- und Entwicklungsgesellschaft GmbH[17]" as "a private non-bank financial institution under [Indonesia's] Ministry of Finance.[18]" Currently, Indonesia's state-owned PT. Sarana Multi Infrastruktur (SMI) owns 33.88% of IIF shares, the International Finance Corporation (IFC) and Asian Development Bank (ADB) own 19.99% each, Germany's DEG has 11.24% and Sumitomo Mitsui Banking Corporation has 14.89%. This "private non-bank institution", founded by the Indonesian government, multilateral development banks and a bilateral (German) agency is still 85% owned by public institutions, including more than 50% ownership by multilateral development banks and DEG. AUSAID "provided important financial

16 For example: ADB,Report and Recommendation of the President to the Board of Directors, Project Number: 42109 March 2009, Proposed Loan and Equity Investment Republic of Indonesia: Indonesian Infrastructure Financing Facility Company Project"ADB's resources for financing private sector infrastructure projects are limited. IIFF presents an opportunity for ADB to leverage those resources in Indonesia, where infrastructure shortages are critical and national government funds are limited. The approach is based upon ADB's successful support of Infrastructure Development Finance Company Limited (IDFC) in India. ADB's financing support for IDFC was intended to be a model for other developing member countries seeking institutional arrangements to stimulate infrastructure sector reform, private sector participation in infrastructure finance, and domestic debt market development.

17 http://new.ptsmi.co.id/content/pt-indonesia-infrastructure-finance/

18 http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/EAP/2015/06/ 26/090224b082f8e83f/1_0/Rendered/PDF/Indonesia000In0Report000Sequence009.pdf

support towards the development of the PT IIF business plan.[19]" PT IIF was designed to "focus on investing in commercially feasible infrastructure projects in Indonesia and to encourage private sector engagement in the country's infrastructure development."[20]

World Bank funding began in 2009 under a project that is now due for closure in 2016, and provided $100 million to initiate the formation of PT IIF. There may be a World Bank plan to provide an additional $250 million for IIF, but this is as of now not publicly confirmed. Despite the fact that the initial World Bank project started in 2009, most of the funds from the first project ($97 million) were expended primarily only in 2014 for "eligible infrastructure projects."In 2014, after providing initial funding, the IFC provided a senior debt package for up to US$250.

The IFC identified the "inherently high E[nvironmental] & S[ocial] risks" of IIF infrastructure finance in Indonesia as potentially resulting in "community and resettlement impacts including indigenous communities, impacts on local flora and fauna, occupational health and safety, water and air pollution and impacts on cultural heritage.[21]" One of the goals of the World Bank's investment was the development of a "world class" Operations Manual (OM) for PT. IIF, setting out procedures for PT IFF operations, which would be designed to comply with both World Bank and IFC environmental and social safeguard requirements.

> *"The World Bank – along with other development partners involved in the project – will approve an Operations Manual (OM) that will form the basis for IIF's selection process regarding specific projects to support and the financial instruments through which to provide such support. World Bank will not be involved in approving individual subprojects that IIF chooses to support, provided that the Environmental and Social Unit in IIF has sufficient capacity to ensure that the IIF's environmental and social policies will be met. However, World Bank will review the implementation of subprojects to ensure that the safeguard policies are properly followed. IIF, as a Financial Intermediary (FI) supported by the WBG and IFC as well as ADB and DEG, will finance mostly private sector subprojects."*[22]

The World Bank loan agreement document for PT IIF is published on the World Bank website and places heavy emphasis on the development of this"Operations Manual", designed to meet the safeguard requirements of the World Bank and requiring all "sub-projects" to meet these standards[23]. In addition, the loan agreement requires any revision of the Operations Manual to be approved by the World Bank, and requiresan Environmental and Social Safeguards Framework to provide "environmental screening criteria, environmental assessment,environmental management plan and consultation and disclosurerequirements for each type of Sub-project, including analyses ofnatural habitats, cultural property, forests and safety of dams, asapplicable, consistent with the

19 http://new.ptsmi.co.id/content/pt-indonesia-infrastructure-finance/

20 http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/EAP/2015/06/26/090224b082f8e83f/ 1_0/Rendered/PDF/Indonesia000In0Report000Sequence009.pdf

21 http://ifcextapps.ifc.org/ifcext/spiwebsite1.nsf/651aeb16abd09c1f8525797d006976ba/14363a342535e69e85257cbd00534cd1?opendocument, diakses 3/5/16.

22 IIF: ENVIRONMENTAL AND SOCIAL SAFEGUARDS FRAMEWORK (ESSF), updated 2011

23 World Bank, Loan Agreement (Indonesia Infrastructure Finance Facility Project) between REPUBLIC OF INDONESIA and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT, 1/15/2010.

regulations of the Borrower andthe policies of the Bank."

The same is true for "land acquisition and resettlementplan and compensation criteria, and consultation and disclosurerequirements for each type of Sub-project; and screeningcriteria and actions designed to facilitate a process of free, priorand informed consultation leading to broad community supportinvolving Indigenous Peoples including Indigenous Peoplesplans, where required, and consultation and disclosurerequirements for each type of Sub-project"[24].

The Loan agreement also stipulates "the right of the Companyto suspend or terminate the right of the Sub-project Enterprise to use theproceeds of the Sub-project Agreement and the obligation of the SubprojectEnterprise to refund all or any part of the amount of the financingprovided to the Sub-project Enterprise upon such Sub-projectEnterprise's failure to perform any of its obligations under its Subproject Agreement with the Company or under the Operations Manual"[25].

Unfortunately, despite repeated requests by civil society, IIF's Operations Manual that contains the rules for ensuring how project proponents must fulfill consultation, information disclosure and other environmental and social standards of the World Bank and IFC, has not been made public. In addition, despite the IFC's evaluation of IIF's work as "high risk", the World Bank assessed, as recently as 2015, that IIF presented an overall low risk profile, including "low" environmental and social risks[26]. The Bank's IIF 2015 Implementation Status and Results Report for IIF finds that IIF presents only a "medium" governance risk, despite the Bank's finding, in an earlier assessment that "the infrastructure industry in Indonesia has a high risk of corruption…driven not only by the government … but also by the contractors, consultants and respective associations as well as the structure of the industry itself."

PT IIF has been notable for its high level of opacity and for the refusal by the IFC, ADB or World Bank to make basic information available to the public. It was only after NGOs raised deep concerns with the World Bank, IFC, and ADB in 2015, including letters[27] and meetings with senior management and with Executive Directors of the World Bank and IFC that IIF finally posted on its website a short list of investments already made, as well as some of the standard Indonesian environmental assessments, or summaries of these assessments, which are normally implemented in Indonesia which were carried out on some of its projects. While it is a welcome development that these documents, mostly dated several years ago, have been recently published online, the publication occurred after project approval and clearly does not represent an effort to allow or seek public comment as required by World Bank, IFC, or ADB safeguards. According to World Bank Group policy, the IFC has to apply current Performance Standard requirements to all IFC

24 ibid.

25 ibid.

26 World Bank, Implementation Status & Results Report, Indonesia Infrastructure Finance Facility (P092218), 6/25/2015.

27 Letters from Indonesian NGOs to WB, IFC and ADB Project Managers of PT. Indonesia Infrastructure Guarantee Fund, and PT. Indonesian Infrastructure Financing Facility, August 2015. http://www.safeguardcomments.org/infrastructure--financial-intermediaries.html.

equity investments, regardless of when they were initiated[28]. It is unclear how the ADB applies its Safeguards to such investments. Given this, and given that the ADB's Safeguard Policy Statement requires the ADB to apply its own safeguard requirements to any project involving the ADB, one would hope that, like the IFC, the ADB applies current safeguard requirements to all ADB equity holdings.

The ADB's Role

In 2009, the ADB proposed an equity investment of up to $40 million (" the ADB's first equity investment in a nonbank financial institution in Indonesia"[29]) in the start-up of the Indonesian Infrastructure Financing Facility Company and a loan to the newly created PT Sarana Multi Infrastruktur (PT. SMI), wholly owned by the Indonesian Ministry of Finance, on the condition that PT. SMI would "on-loan" these funds to the newly-created PT. IIF.[30] The $100 million loan to PT. SMI closed in December 2014 and, according to the website of PT. IIF, the ADB still remains an equity shareholder of PT IIF, along with the IFC and Germany's Deutsche Investitions- und Entwicklungsgesellschaft GmbH as well as the Indonesian Finance Ministry-owned PT. Sarana Multi Infrastruktur. The IFC applies current Performance Standard requirements to all IFC equity investments, regardless of when they were initiated.[31].

The ADB's project documents indicate that the ADB planned to have a seat on the IIF's Board of Commissioners, the IIF oversight body and would "prefer to have two seats on the IIFF BOC and plans to designate nominee directors for its allocated directorships."According to the ADB, "The Board of Directors shall be responsible for the day to day management of the Company and the Board of Commissioners shall be responsible for providing oversight function.[32]" The extent to which this is actually taking place is unknown.

The ADB explains its involvement in PT. IIF as follows, The ADB also highlighted some of the substantial potential conflicts of interest inherent in the design of PT. IIF including:

> *"Risk of conflict of interest. IIFF's business plan proposes that IIFF offer both advisory services to government in relation to the structuring of selected PPP projects and financial assistance to those same projects. This strategy, unless carefully controlled and managed using informational firewalls that are apparent both internally and externally, exposes IIFF and potentially its shareholders to a risk of reputational damage. ADB will ensure that IIFF*

28 According to the Compliance Advisory Ombudsman of the IFC, current IFC Performance Standards apply to all IFC equity investments currently held by the IFC, regardless of start date of the initial IFC equity investment. Meeting with NGOs and CAO, 6 April 2016.

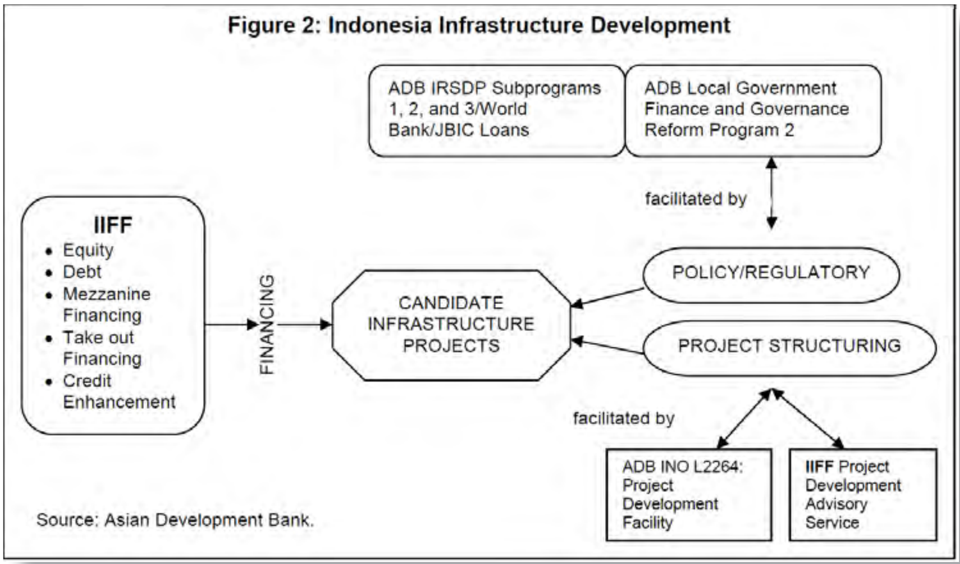
29 Report and Recommendation of the President to the Board of Directors, Project Number: 42109, March 2009 Proposed Loan and Equity Investment, Republic of Indonesia: Indonesian Infrastructure Financing Facility Company Project, www.adb.org

30 ADB to Invest $140 Million in Indonesian Fund to Boost Infrastructure, 1 April 2009; Report and Recommendation of the President to the Board of Directors, Project Number: 42109, March 2009 Proposed Loan and Equity Investment, Republic of Indonesia: Indonesian Infrastructure Financing Facility Company Project, www.adb.org.

31 According to the Compliance Advisory Ombudsman of the IFC, current IFC Performance Standards apply to all IFC equity investments currently held by the IFC, regardless of start date of the initial IFC equity investment. Meeting with NGOs and CAO, 6 April 2016.

32 Ibid, Report and Recommendations….

sets up robust information firewalls and implements procedures assuring that its position vis-à-vis co-lenders and government are fully disclosed."[33]



"Key "Performance Targets" of the ADB, and the rationale for providing finance included:

- IIFF facilitates the development of a new generation of infrastructure projects by increasing the flow of private investment into infrastructure projects. IIFF facilitates investments of about $5 billion for infrastructure in the first 5 years of its operations."
- " At least 40 infrastructure projects identified and processed by IIFF, and loans disbursed in Indonesia over 2008 to 2013."
- "Projects and subprojects meet required environmental and social safeguards."

It does not appear that the targets identified by the ADB have been achieved. In 2011, the ADB announced a technical assistance project to "improve the Government's capacity in developinginfrastructure projects through Public and Private Partnership (PPP)" to be implemented through PT. Sarana Multi Infrastruktur, the Indonesian government's PT IIF shareholder.[34].

In 2015, the ADB announced that it would, again "partner [with PT SMI] to accelerate PPP projects in Indonesia" with the signing of an MOU to co-advise on Public Private Partnershipsa:

"Under the terms of the MOU, PT SMI and ADB will, together, provide independent advice to governments at all levels on PPPs. The partnership will allow them to work together to help public sector entities structure PPPs so they are attractive to the private sector, and to manage the subsequent PPP bidding process."[35]

In 2016, the ADB announced that it would provide over $10 billion in funding for Indonesia

33 Ibid

34 ADB Supports Development of Public Private Partnership Projects in Indonesia, 19 September 2011, www.adb.org

35 SMI, ADB Partner to Accelerate PPP Projects in Indonesia, 27 August 2015, www.adb.org

over the next five years, primarily for infrastructure[36]. ADB safeguard requirements include a 120 period of public comment for all projects or sub-projects likely to generate significant environmental or social impacts.This requirement, and other ADB Safeguard Policy (SPS)requirements do not appear to have been met to date.

Current problems include:

- **Operations Manual still not made public**. Unfortunately, despite requests by civil society, IIF's Operations Manual which contains the rules for ensuring how project proponents must fulfill consultation, information disclosure and other environmental and social standards of the World Bank, IFC, and ADB has not been made public.
- **Problems with risk categorization**. Despite the IFC's evaluation of IIF's work as "high risk", the World Bank assessed, as recently as 2015, that IIF presented an overall low risk profile, including "low" environmental and social risks.[37] The Bank's IIF 2015 Implementation Status and Results Report for IIF finds that IIF presents only a "medium" governance risk, despite the Bank's finding, in an earlier assessment that "the infrastructure industry in Indonesia has a high risk of corruption…driven not only by the government … but also by the contractors, consultants and respective associations as well as the structure of the industry itself."
- **Lack of other basic information provided to public,** including:
    - o No environmental/social assessments made available for public comment **prior to appraisal or approval**;
    - o **No list of projects in pipeline**, including high risk projects;
    - o **No monitoring or evaluation reports** made public.
    - o Documents **demonstrating compliance with safeguard standards of World Bank, IFC,** and **ADB**, including information disclosure, consultation, etc. For example, the documents recently published on the IIF website (and not on the ADB, WB or IFC website) consist of Indonesian "AMDAL" (Environmental Impact Assessment) reports. Indonesian requirements for public consultation during EIA preparation are far below those of the ADB, World Bank and IFC and do not meet ADB/WB/IFC safeguard standards for consultation.
    - o **No schedule of public consultations** for high risk IIF projects in the pipeline. There is no indication of public consultation process in compliance with ADB, WB or IFC standards for any activities undertaken by IIF.
- **Use of borrower systems without following the mandatory due diligence requirements.** This project appears to be using "borrower systems"- including local rules for Environmental Impact Assessment (AMDAL) -- which do not meet MDB standards for public consultation and information disclosure -- but it does not appear that theWorld Bank has adhered to the mandatory detailed assessment of borrower

36 ADB President Announces $10 Billion Funding for Indonesia Over Next 5 Years, 12 February 2016, www.adb.org

37 World Bank, Implementation Status & Results Report, Indonesia Infrastructure Finance Facility (P092218), 6/25/2015

systems required by the World Bank's own Country Systems Safeguard to ensure that borrower systems are at least equivalent to those of the World Bank. (see Table 1A of WB Country Systems Safeguard). Nor does it appear that the ADB has adhered to its Country Systems requirements, which include public consultation on determination of CSS equivalence with ADB safeguards.According to the World Bank's brief assessment of borrower capacity (noted on the Integrated Safeguards Datasheet at project Appraisal), "**all of institutions involved in this Project have no experience in implementing environmental and social safeguards policy**." The World Bank noted that "it is very likely that many of the subprojects financed by the IIF will have moderate to significant short- and/or long-term impacts.[38]"

World Bank Safeguard Policies Triggered as per IIF Integrated Safeguards Data Sheet May 2009

Environmental Assessment OP/BP 4.01	Yes
Natural Habitats OP/BP 4.04	Yes
Forests OP/BP 4.36	Yes
Pest Management OP 4.09	No
Physical Cultural Resources OP/BP 4.11	Yes
Indigenous Peoples OP/BP 4.10	Yes
Involuntary Resettlement OP/BP 4.12	Yes
Safety of Dams OP/BP 4.37	Yes
Projects on International Waterways OP/BP 7.50	No
Projects in Disputed Areas OP/BP 7.60	No

2. PT Indonesian Infrastructure Guarantee Fund – IIGF

PT. Indonesian Infrastructure Guarantee Fund is a parastatal financial intermediary owned by the Indonesian Ministry of Finance, formed with assistance of the World Bank, and designated to be the sole institution ("single window") for appraising, structuring, processing, claim payment and providing government guarantees for PPP projects in Indonesia[39]. As of April 2016, PT IIGF's website stated that the World Bank has provided an "AAA-rated guarantee facility of $480 million" for PT IIGF.

In addition, the World Bank launched an IIGF project investment in 2012 (due for closure in 2018), providing $29.4 million of WB funds to PT IIGF.The project's June 2015 Implementation Status and Results Report states that IIGP currently has 11 projects in its pipeline" and "has continued to operate in accordance with guidelines and standards of the Operations Manual."

38 World Bank, IIF, Integrated Safeguards Datasheet, Appraisal Stage

39 http://www.worldbank.org/en/country/indonesia/brief/faq-indonesia-infrastructure-guarantee-fund

PT Penjaminan Infrastruktur Indonesia (Persero)
IIGF *Indonesia Infrastructure Guarantee Fund*

Indonesia | English

ABOUT IIGF BUSINESS PROJECT NEWS & PUBLICATION PROCUREMENT CSR CONTACT US IIGF INSTITUTE

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BUSINESS

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FAQ

What is Indonesia Infrastructure Guarantee Fund?

Indonesia Infrastructure Guarantee Fund, or IIGF, is a state owned enterprise that is established by the Ministry of Finance. As one of the fiscal tools of the Government, IIGF is under direct supervision of the Ministry of Finance and has mandate to provide guarantee for infrastructure projects under Public Private Partnership (PPP) scheme. IIGF is part of the government's efforts to accelerate infrastructure development in Indonesia, by providing contingency support/guarantee for the risks caused by the government's action or inaction, which hurts the economic feasibilities of the PPP project.

What is the Public Private Partnership (PPP) project?

A PPP project is an infrastructure project determined by the government and is developed and financed by the private sector through an agreement (contract) between the government entity (public sector) and a Business Entity (private sector). Following the award from the government, the private sector is in charge for design works, construction, financing and operation of the project. A PPP contract usually applies a relatively long-term tenor (more than 15 years) to enable private sector recoup their investment. The basis of a PPP contract is risk sharing/allocation between the government (through Contracting Agency) and private companies, where each risk is allocated to the party that is relatively more capable in controlling, managing, preventing or absorbing it. PPP

With limited capital, how can IIGF provide guarantee for infrastructure projects that have much higher value?

If the value of the project that has to be guaranteed exceeds its capital, IIGF can co-guarantee the project with multilateral development agency, such as the World Bank, other financial institutions or with the Minister of Finance. The co-guarantee mechanism will be stipulated in the Guarante Agreement between investors/lenders and the guarantors. IIGF signed a AAA-rated guarantee facility of $480 million with the World Bank. Despite the co-guarantee structure, the process of guarantee provision, including and appraisal, is conducted by IIGF under the Single Window Policy.

Above: Screen shots from the FAQ page of PT. IIGF's website, 29 April 2016. [40]

The first large-scale PPP project for which PT. IIGF is attempting to provide a guarantee is the construction of two highly controversial 1,000 MW coal plants in Central Java, a project thathas been mired in conflicts with local communities facing eviction from their lands and threats to their livelihoods. The Batang power plants, which have yet to be built, are likely to emit 10.8 million tonnes of CO2 per year, equivalent to 2.6% of Indonesian energy sector's emissions in 2010[41].

With World Bank support, the Operations Manual for PT IIGF was to have been designed

40 http://www.iigf.co.id/en/business/faq

41 ibid

to ensure compliance with World Bank and IFC environmental and social safeguard requirements.[42] Unfortunately, this document has not been made public.

This project appears to use "borrower systems" but does not appear to have applied the Bank's mandatory Country Systems Safeguard equivalency assessment to ensure that borrower systems are at least equivalent to those of the World Bank.Unlike the appraisal for PT. IIF, the Integrated Safeguards Datasheet at Project Appraisal for PT IIGF avoids providing any assessment of borrower capacity and, instead, in the section titled "assessment of borrower capacity" merely provides a list of safeguard documents that will be prepared by PT. IIGF. The Safeguard Datasheet notes that "it is most likely that all projects guaranteed by IIGF will have moderate to significant short- and/or long-term social and environmental impacts (i.e. Category A and B projects)."[43]

PT. IIGF: Acquisition of forests, Indigenous lands, lands where farmers have no written proof of ownership for projects is "easy" and "low risk."

Terlepas dari kenyataan bahwa Pedoman Operasional PT IIGF belum pernah dipublikasikan, Catatan Panduan perusahaan tentang pembebasan lahan selama proses penjaminan untuk proyek-proyek infrastruktur, tanggal 2014, telah dipublikasikan. Namun, hirarki penilaian risiko yang direkomendasikan, memberikan wawasan yang mengerikan ke dalam sistem dan prosedur peminjam yang akan digunakan untuk proyek ini karena memberikan kategorisasi risiko[44] rendah untuk "pembebasan (akuisisi)" lahan hutan, lahan yang diakui sebagai wilayah adat, tanah di mana pemilik tidak memiliki bukti tertulis kepemilikan tanah (sekitar 80% dari petani Indonesia), "tanah di kawasan hutan yang diakui sebagai wilayah adat". Catatan Panduan IIGF menyatakan bahwa pembebasan lahan tersebut merupakan hal yang "mudah" dan mencatat bahwa perlu adanya suatu "kesepakatan/dialog" (yang tentu saja merupakan dua hal yang berbeda) dengan para pemangku

MATRIK RESIKO PENGADAAN TANAH YANG BELUM DIBEBASKAN

Level Resiko	Skor	Kriteria	Contoh	Tingkat Pengelolaan
		• Tumpang tindih dengan rencana pembangunan lainnya (contoh: pertambangan, perkebunan, kehutanan, dll.) • Tanah dimiliki oleh bersama dan sebagian dari kelompok masyarakat tersebut menolak proses pembebasan tanah		besar untuk pembebasannya
II	2	• Pemilik tanah tidak memiliki bukti kepemilikan tertulis • Lokasi tanah berada di wilayah hutan yang diakui sebagai wilayah adat	• Lemahnya bukti kepemilikan tanah dan tanah adat	• Mudah dengan catatan ada kesepakatan/dialog dengan semua pemangku kepetingan tentang pola kepemilikan tanah dan status tanah adat
I	1	• Hampir semua masyarakat menerima tanahnya untuk dibebaskan	Masyarakat mau membebaskan tanahnya mau menerima kompensasi yang ditawarkan.	• Sangat mudah

42 http://www.worldbank.org/en/country/indonesia/brief/faq-indonesia-infrastructure-guarantee-fund

43 World Bank, IIGF, Integrated Safeguards Datasheet, Appraisal Stage

44 IIGF's risk assessment framework identifies a scale from 1 to 5, where Level 1 is a scenario where almost everyone voluntarily gives up their land and accepts the offered compensation

Seorang petani mendapati akses ke ladang dan air terhalang oleh pagar dibuat pada bulan Maret 2016 oleh pengembang pembangkit listrik tenaga batubara di Batang. Foto: Tommy Apriando

kepentingan[45].

> *This excerpt from the IIGF "Risk Matrix for Acquisition of Land which is not yet Released" describes the lowest level of risk (Level I) where "almost all people accept their land to be released" and "community wishes to release their land and accept the offered compensation." The level of management is categorized as "very easy." Level II risk in the table above is where "Land owners do not have written proof of land ownership; location of land is in a forested area which is recognized as indigenous territory ['wilayahadat']. The risk matric mentions the "weakness of ownership proof for land and indigenous territory" and concludes that the management level is "Easy, noting that there is agreement/dialogue with all stakeholders about the pattern of ownership and the status of indigenous territory ['tanahadat'].*

This signal from the country's sole provider of PPP guarantees, that seizing indigenous lands and forests and lands of those without written proof of ownership is low risk and easy, is not only chilling, but it appears to be in violation of World Bank requirements regarding Indigenous Peoples, natural habitat, forests and forced resettlement. It does, however, appear consistent with current borrower practice.

[45] GUIDANCE NOTE: PenerapanTinjauanAspekPengadaan Tanah dalam Proses PenjaminanProyekInfrastruktur, 2014, Risk level 2: "Lokasitanahberada di wilayahhutandanmembutuhkanizinpinjampakaiataupelepasanwilayahhutan; Tanah tumpangtindihdenganwilayah yang diakuisebagaihakmilikadat". Mudahuntukpengelolaannyatetapimasihmembutuhkanwaktu yang lama untukmenyelesaikanya" and Risk Level 2:

In September 2015, the World Bank Team Leader for the IIGF project informed Indonesian NGOs that the Operations Manual for the IIGF which was one of the key goals of Bank support for IIGF[46] and which was designed to ensure IIGF compliance with World Bank and IFC safeguard requirementsis not publicly available. This is odd, given that the Guidance Notes for the OM are, indeed, publicly available.

PT IIGF has been notable for its extreme level of opacity and for the World Bank's refusal to provide or to ensure that subprojects provide the most basic information to the public.It was only after NGOs raised deep concerns with the World Bank in 2015, including letters[47] and meetings with senior management and with Executive Directors of the Bank and IFC that IIGF finally posted on its website a list of five IIGF projects, including support for the massive controversial Batang coal-fired power plants[48].

However, IIGF has still has not made public:

- The Operations Manual for IIGF, describing required manner of meeting safeguard requirements, in compliance with safeguards of WB;
- Documents demonstrating compliance with safeguard standards of World Bank, including information disclosure, consultation, etc.
- Environmental and social impact assessment documents, including EIAs, EA, IPP, RP, etc
- A list of projects in the IIGF pipeline, including high risk projects;
- Schedule of public consultations for high risk IIGF projects in the pipeline;
- Reports on public consultations (since civil society organizations active in monitoring financial flows, environmental, human rights groups, etc. recall being invited to any IIGF consultation);
- Monitoring or evaluation reports, including descriptions of any problems with safeguard compliance

In 2011, the IIGF's Annual Report announced:

> *"The signing of the Guarantee Agreement and the Recourse Agreement for the 2 x 1,000 MW Central Java Power Plant (CJPP) project represented a milestone achievement for IIGF in 2011, as the first large-scale PPP show case project that was successfully brought into realization with guarantee support provided by IIGF and the Ministry of Finance of*

46 "With World Bank technical support, IIGF has developed a standardized, world-class set of operational norms and procedures as well as guarantee-appraisal standards, corporate governance and other critical functions of the IIGF. Such support has helped build IIGF's institutional capacity and established its credibility in the marketplace. The World Bank is also providing financial assistance to IIGF under the Indonesia Infrastructure Guarantee Fund Project (IGFP)." http://www.worldbank.org/en/country/indonesia/brief/faq-indonesia-infrastructure-guarantee-fund.

47 Letters from Indonesian NGOs to WB, IFC and ADB Project Managers of PT. Indonesia Infrastructure Guarantee Fund, and PT. Indonesian Infrastructure Financing Facility, August 2015. http://www.safeguardcomments.org/infrastructure--financial-intermediaries.html

48 Letters from Indonesian NGOs to WB, IFC and ADB Project Managers of PT. Indonesia Infrastructure Guarantee Fund, and PT. Indonesian Infrastructure Financing Facility, August 2015. http://www.safeguardcomments.org/infrastructure--financial-intermediaries.html

the Republic of Indonesia. Also in 2011, IIGF made major progress in processing a number of other potential PPP projects, including the PotableWater Project in Bandar Lampung, the Coal Railway Project in Central Kalimantan, and several Toll Road projects in various regions in Indonesia. For IIGF, the Central Java Power Plant PPP project is particularly important as it provides an actual working model that can later serve as a reference for other PPP infrastructure projects."

One of the IIGF's first guarantees[49] is planned for Southeast Asia's largest coal-fired power plant project, located in Java in Batang regency. The construction of the power plants has been held up as a result of conflicts with local villagers who have been facing eviction from their lands and threats to their livelihoods. Plagued with delays, strong local opposition and land acquisition problems, it is estimated that the Batang power plants will emit 10.8 million tonnes of CO2 per year, equivalent to 2.6% of Indonesian energy sector's emissions in 2010[50].

According to an IFC publication, the Batang power plants represent a "Success Story" for Public-Private Partnerships[51]:

Success Stories
PUBLIC-PRIVATE PARTNERSHIPS

This series provides an overview of successful public-private partnerships in various infrastructure sectors, where IFC was the lead advisor.

IFC Advisory Services in Public-Private Partnerships
2121 Pennsylvania Ave. NW
Washington D.C. 20433
ifc.org/ppp

Power

Photo © janumedia/Flickr

Indonesia: Central Java IPP

The demand for electricity in Indonesia has grown quickly in the last decade. Facing greater consumption by industry, increasing residential demand, and a push to bring electricity to rural areas, the government aims to dramatically expand power generation and transmission capacity. In 2005, it designated a proposed new coal-fired power plant in Central Java as a top priority and moved to implement new regulations to attract private investment. IFC was transaction advisor to PT Perusahaan Listrik Negara (PLN) in this project, which will boost capacity using the cleanest commercial coal-fired generation technology available.

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49 At a meeting with the WB Task Team leader for IIGF in Jakarta in September 2015, she denied that the IIGF guarantee had been released for the Batang coal project since there were still on-going land conflicts. Indonesian media reports indicated that in late 2015, the conflicts had been "resolved" (one way or another). The resolution of these conflicts was considered a trigger for the implementation of the IIGF guarantee, but given the complete lack of information from the World Bank and IIGF, it is unknown if the guarantee has been implemented. Informal discussions with authorities indicate that the guarantee may not be activated without (1) "solving" the land acquisition problems; (2) reaching financial close for the project. Financial close was apparently (reportedly) scheduled for April 6, 2016 but, reportedly, has been postponed, yet again

50 Greenpeace, op cit.

51 IFC, Success Stories: Public-Private Partnerships: Indonesia: Central Java IPP, 2012.

Atas: Kutipan dari publikasi "Kisah Sukses" IFC tentang pembangkit listrik tenaga batubara Batang.

Devco provided a technical assistance grant for IFC's advisory work. Devco, a multi-donor program affiliated with the Private Infrastructure Development Group, is funded by the United Kingdom's Department for International Development, the Dutch Ministry of Foreign Affairs, the Swedish International Development Agency, and the Austrian Development Agency.

IFC | International Finance Corporation
World Bank Group

DevCo
Infrastructure Development Collaboration Partnership Fund

IFC's ROLE

The IFC describes its role as central to the development of the Batang coal plants and includes, among other things, the provision of "thorough"… environmental… due diligence… working with key stakeholders to revise PPP and guarantee legislation" as well as continuing to support the bidding process through financial close. As mentioned earlier, financial close for the project has still not yet occurred.

IFC'S ROLE

IFC provided advice to the PLN to structure and implement a PPP to find a private-sector investor through a transparent, competitive tender process in a difficult business environment. IFC's input included the following:

- Thorough technical, legal, environmental and financial due diligence to identify key transaction issues;
- Coordinating with and supporting the government on developing a risk management and guarantee frameworks for the power sector;
- Marketing the project to potential investors;
- Preparing and supporting negotiations for the power purchase agreement (PPA) and related agreements to efficiently allocate risk;
- Addressing technical issues, which included supercritical and ultra-supercritical technology, system planning and stability and environmental standards;
- Working with key stakeholders to revise PPP and guarantee legislation;
- Supporting the bidding process through closing.

As a neutral broker, IFC worked with key stakeholders, including the PLN, the National Development Planning Agency (BAPPENAS), the Ministry of Finance, and the newly-established Indonesia Infrastructure Guarantee Fund (IIGF) and qualified potential investors to structure a bankable transaction.

According to reports[52], however, over 7,000 villagers from 5 villages have been raising serious concerns about the potential for pollution associated with the power plant that is likely to be fueled by low quality coal, including the potential emission of 200 kg of mercury per year, which may pollute coastal areas used by fishers.There have been more than 22 protests in the past 3 years (and at least seven villagers have been jailed as a result of these protests). Local landowners refused to sell the land needed by the project. According to ELSAM, military forces engaged in an intimidation campaign in order to force villagers to sell their land. Community members have resisted giving up their land for the construction of the project and fear the project's impact on their income and livelihoods, and they report having experienced intimidation and violence and facing wrongful and arbitrary arrests and unfair trials[53].

Community resistance to forced evictions also has taken the form of legal action. On 30 June 2015, a representative of the land owners brought a lawsuit in the administrative court of Central Java against Central Java Governor Decision Number 590/35 of 2015 Regarding the Agreement on Establishment of the Land Acquisition Covering an area of 125,146 m2 for the Development of 2x1.000 MW Power Plants in Batang, Central Java. In July 2015, community leaders and members of Paguyuban UKPWR (Friends of UKPWR, representing7.000 residents of the area affected by power plant construction from villages ofUjungnegoro, Karanggeneng, Ponowareng, Wonokerso, danRoban), with the support of Greenpeace Indonesia and Friends of the Earth Japan, filed a complaint against ITOCHU and J-Power to the Japan National Contact Point, for violations committed by Bhimasena Power Indonesia (BPI), the joint-venture they helped establish to construct and operate the Batang coal-fired power plants..

Safeguard Policies Triggered as per World Bank,IIGF Integrated Safeguards Data Sheet, June 2012	
Date of Data Sheet	June 2012
Environmental Assessment OP/BP 4.01	Yes
Natural Habitats OP/BP 4.04	Yes
Forests OP/BP 4.36	No. IIGF will not provide guarantees to projects involving commercial logging in/logging equipment for primary tropical moist forests, etc. This will be listed in exclusion list in OM;
Pest Management OP 4.09	Yes. Exclusion list for certain pesticides, but triggered for irrigation projects;
Physical Cultural Resources OP/BP 4.11	Yes

52 Greenpeace, op cit.; Police arrest 43 peaceful coal power plant protesters in front of State Palace, Oct. 6, 2015,http://jakarta.coconuts.co/2015/10/06/police-arrest-43-peaceful-coal-power-plant-protesters-front-state-palace;Jakarta Globe: Residents Continue Fight Against Batang Power Plant, http://jakartaglobe.beritasatu.com/news/residents-continue-fight-batang-power-plant, 3/30/15; People living in Batang protest against PLTU in Indonesia, 7/22/13.http://news.xinhuanet.com/english/photo/2013-07/22/c_132563353.htm;The True Cost of Coal Abuses: Health impacts and Risks Associated with Indonesia's Batang Coal Fired Power Plant Project, Greenpeace Briefing Paper, March 2014.

53 Complaint Against ITOCHU and J-POWER Regarding the Central Java Coal-fired Power Plant Project in Indonesia to Japanese National Contact Point (NCP), July 29, 2015

Indigenous Peoples OP/BP 4.10	Yes. IIGF will monitor, supervise and verify IPP implementation in the field to ensure that CA and/or PI implement the approved IPP. For all projects involving IPs, the IPP will be submitted to the Bank for clearance before the project guarantee is granted."
Involuntary Resettlement OP/BP 4.12	Yes. "Based on the identified possible projects, it is likely that many projects in the IIGF pipeline will require land acquisition, and thus, may require resettlement instruments including land acquisition and resettlement action plan…RPF will be approved by the Bank and disclosed by appraisal... It is recommended that Bank accompany IIGF staff on field appraisal... WB will have prior review right to review and approve the first three projects receiving IIGF guarantees."
Safety of Dams OP/BP 4.37	Yes. "IGF projects may involve construction of a large dam or a high hazard dam." Expert panel required for large dams.
Projects on International Waterways OP/BP 7.50	No
Projects in Disputed Areas OP/BP 7.60	No. IIGF will not provide guarantees for any projects in disputed areas.

3. Indonesian Infrastructure Finance Development TA project, (P157490)

This is an $8.24 million Category A "Investment Project Finance" project in the WB pipeline, designed to recommend changes to Indonesia's highly controversial new land acquisition law, to support implementation of the controversial law and to propose (including assist with feasibility studies for) five large-scale infrastructure projects, with (according to World Bank documents posted on line) an expected Board date of March 2016, recently postponed until April 25, 2016.

Despite its "Category A" rating, there has been no visible public consultation process on this project, despite substantial concerns about the potentially enormous social and environmental impacts of the new land acquisition law, of changes to the law potentially proposed by the World Bank under this project, and of the development of five mega-infrastructure projects. It is still unclear if the fake "consultations" arranged by PT Hatfield Indonesia for the Indonesian Ministry of Finance under the Indonesian Infrastructure Finance Development Trust Fund are related to this project

Documentation, materials available in accessible language: There is very little documentation on the WB website, and it is posted solely in English: "Combined Project Information Documents/Integrated Safeguards Data Sheet (PID/ISDS)"

Categorization: The PID documents the following rationale for categorizing this as a high risk, or Category A, project:

> *"The project will not finance specific infrastructure project investments, but it will finance preparation of feasibility studies for up to five pilot demonstration projects to demonstrate the effectiveness of the PPP process being established with the TA…. Although the IIFD RETF activities themselves will not generate direct adverse environmental or social impacts, the investment activities that may take place after the life of the TA,and using the feasibility studies prepared for the pilot demonstration projects financed under the TA,may generate adverse environmental and social impacts downstream. As such, the TAproject triggers OP/BP 4.01on Environmental Assessment. ,,, Taking this into account, the TAproject is classified categorized as a Category A."which describes the reasoning for the assessment of this TA project as a Category A project."*

This categorization provides a good example of the type of categorization that should be provided for all of the infrastructure investments, TAs, and funds – including trust funds -- given the high levels of risk.

Consultation: The document states that, "Prior to appraisal, the ESMF will be publically consulted and disclosed in country" (pg 6, pg 11). As groups monitoring World Bank and IFC infrastructure investment, we are unaware of any meaningful public consultation carried out, to date, regarding this project. We have never seen a draft ESMF in Indonesian language.

English is not widely spoken in Indonesia and normally, including at the Bank's recent Safeguards Review consultation in Jakarta, materials are provided in Bahasa Indonesia.For this project, there are only two short documents in English posted on the Bank's website for this project and no documents in Indonesian.Given the lack of public consultation, the lack of materials, including the lack of materials in Bahasa Indonesia, and the potentially significant environmental and social impacts of this project, it is clear that it is premature for this project to be brought before the Board for consideration or approval.

It is unclear whether the fake "consultations" under the Indonesia Infrastructure Finance Development Trust Fund (below), one of which involved sending some Indonesian NGOs a 161 page English-language ESMF one day before a "consultation", is linked to this project.

Co-finance: Various Indonesian officials have announced that the AIIB will provide support of $2 billion for up to six new mega-infrastructure projects. This might include some of these projects, triggering concerns about ensuring full application of the strongest safeguards to co-financed projects.[54].According to the "Combined Project Information Documents/Integrated Safeguards Data Sheet (PID/ISDS)" dated December 2015 and posted on the World Bank's website solely in English:

[54] DetikFinance, Laporan dari Beijing Bank Infrastruktur Asia Beroperasi, Indonesia Siapkan 6 Proyek Rp 28 T Maikel Jefriando - detikfinance, 16/01/2016

"The project will be national in scope and include support for future infrastructure investments in the following sectors: energy (including power generation, transmission and distribution), water and sanitation, transportation (including roads, rail, ports and airports) and telecom, among others…" which "may include Category A investments that would generate large scale, significant and irreversible adverse environmental and social impacts when financed to full implementation after the life of the TA project (using the feasibility studies that are the main outputs …).

"They have no experience in preparing projects that involve environmental and social impacts and require risk and impact minimization, mitigation and management measures." – World Bank

The document also finds that implementation agencies have no experience in complying with World Bank safeguards nor minimizing environmental and social impacts and risks:

"However, neither the Directorate General for Risk Management and Financing, the Office of the Director of Government Support and Infrastructure Financing nor the PPP Unit have knowledge of or experience with applying and complying with World Bank safeguard policies. They have no experience in preparing projects that involve environmental and social impacts and require risk and impact minimization, mitigation and management measures."

"*Most if not all of the infrastructure projects to be proposed for PPP processing will likely require land acquisition.*"

The document highlights that the project will support the preparation of amendments to and implementation of Indonesia's controversial new Land Acquisition Law that raises civil society concerns about forced resettlement. It states that:

"Most if not all of the infrastructure projects to be proposed for PPP processing will likely require land acquisition, including the pilot demonstration projects and thus OP/BP 4.12 is triggered…. The project will also involve a review and drafting of an amendment of the Land Law." Page 10

There are already substantial problems including a lack of consultation, failure to provide information on environmental and social risks associated with existing World Bank and IFC Infrastructure investments and financial intermediaries in Indonesia which have been raised, with little impact, with World Bank and IFC management based in Jakarta and Singapore offices.

Given the lack of public consultation, the lack of materials, including the lack of materials in

Bahasa Indonesia, and the potentially significant environmental and social impacts of this project, it is clear that it is premature for this project to brought before the Board for consideration or approval.

4. Indonesian Regional Infrastructure Development Fund (RIDF).

WorldBank: Project in Pipeline (P154947),$500 million "Investment Project Finance"to be provided to Indonesia's Ministry of Finance (MoF), with a $5 million contribution from the Government of Switzerland for a Project Development Facility; Implemented by Sarana Multi Infrastruktur, (PT. SMI)a 100% MoF-owned fund and equity investor in PT. IIF; Category FI; According to World Bank website, expected World Bank, appraisal January 2016; expected Board date March 2016, postponed until 30 September,2016. ADB is also supporting PT. Sarana Multi Infrastruktur.

"The Project aims to support the structuring and operationalization of a Regional Infrastructure Development Fund (RIDF) as a retail domestic financial intermediary located within PT. SMI." PT. Sarana Multi Infrastruktur is owned by the Indonesian Ministry of Finance and is a shareholder of PT. Indonesia Infrastructure Finance.

Consultation: The development of a Regional Infrastructure Development Fund is likely to have extraordinary impacts on local communities, forests, natural resources in the outer islands of Indonesia, including Sumatra, Sulawesi, Papua, and Kalimantan. Despite the extraordinary level of risk, including for activities in high-conflict areas, there has been no visible process of public consultation on this project, or of any environmental or social assessment prior to appraisal.

Categorization: Unlike the TA project that is given a rating of Category A for its indirect impacts, this project – despite the potential for massive environmental and social impacts- is categorized as FI. Given the problems with the earlier FI, PT IIF, there are deep concerns about structuring an additional infrastructure FI.

> *"At this concept stage, the Project is proposed to be Category FI because it involves investment of Bank funds through a financial intermediary, in subprojects that may result in adverse environmental impacts. As an FI project, subprojects to be financed could fall as Category A or B. The potential environmental and social impacts from infrastructure construction such as provincial or district roads, water resources management system, landfills, coastal and river redevelopment for urban improvement project might be significant, diverse and irreversible. The subprojects to be financed bythe project will likely be a combination of Category Aand Category B subprojects. The Project shall also have likely social impacts other than land acquisition and resettlement and also there is possibility of cumulative impacts and other impacts related to linked activities funded by government or other donors and potential impacts of ancillary facilities.*[55]"

[55] World Bank, Regional Infrastructure Development Fund (P154947), INTEGRATED SAFEGUARDS DATA SHEETCONCEPT STAGE, 2/5/16

Documentation, availability in accessible language, There are only two short project documents, solely in English, posted on the Bank's website. There are no materials in Bahasa Indonesia.

These documents disclose that, despite the fact that PT. SMI was founded in 2009 and has been engaged in activities with high social and environmental risks, it does not possess in-house expertise on social or environmental assessment nor does it have an Operations Manual to ensure avoidance of environmental and social harm.According to the Bank's February 2016 assessment, PT SMI is weak on Involuntary Resettlement and Indigenous Peoples and "an environmental expert has been hired just recently and PT SMI is still in the process of hiring a social safeguards expert.[56]" Goals of this project include (rather belatedly, given PT. SMI's equity share in PT IIF since 2010):

> "Develop a plan for PT. SMI to adopt ESSF and international standards - determine a detailed timeline and schedule of key milestones with responsible parties and resources needed. Start to use and learn how to implement the ESMS for existing sub-projects with the supports from pool of experts or external E&S experts familiar with WB policies and the international standards of other FIs. Develop an Operations Manual (OM) as an operational tool for the PT. SMI staff to implement the ESSF for the RIDF and PDF operations in the overall mainstream of its business operations.[57]"

There are already substantial problems including a lack of consultation, failure to provide information on environmental and social risks associated with existing World Bank and IFC Infrastructure investments and financial intermediaries in Indonesia which have been raised, with little impact, with ADB, World Bank, and IFC management based in Jakarta and Singapore offices.

Given the lack of public consultation, the lack of materials, including the lack of materials in Bahasa Indonesia, and the potentially significant environmental and social impacts of this project, it is clear that it is premature for this project to brought before the Board for consideration or approval.

5. Indonesian Infrastructure Finance Development Technical Assistance Project

Project in pipeline, or already started or are these activities linked to the Category A Indonesian Infrastructure Finance Development Project (above)?

There is very little information publicly available on this Fund. Apparently, this Trust Fund was formed by the World Bank with $15 million in Trust Funds from the Canadian government over a five year period from 2016 to 2020.[58] It is unclear if this project is already operating or if

56 ibid.

57 ibid.

58 Menurut presentasi slide powerpoint oleh PT. Hadfield berjudul, "KONSULTASI PUBLIK: Penyusunan Kerangka Kerja

this trust fund is financing the Indonesia Infrastructure Finance Development project and/or any other project. The extent to which this project is linked to any of the above projects is unclear. The extent to which World Bank safeguards apply to this Trust Fund is unclear. WB safeguards pertaining to consultations clearly have not been implemented so far under this Trust Fund.

Pengelolaan Lingkungan dan Sosial (Environmental and Social Management Framework - ESMF), 12/21/15, Jakarta.

Anatomy of a Fake Consultation

Indonesia Infrastructure Finance Development Trust Fund
Indonesia Infrastructure Finance Development Project

On Thursday, December 17, 2015 a number of NGO's received an email from a consulting firm, PT. Hatfield Indonesia which included an invitation from the Indonesian Finance Ministry dated December 16 for a "public consultation" to be held on Monday, December 21, 2015 from 9:00 to 1:00, including lunch and an hour and 30 minutes of presentations. Recipients of the letter were given one day to RSVP regarding their attendance.

The only information provided about the subject of the "consultation" was a vaguely worded Terms of Reference document, in English and Indonesian about a proposed ESMF. According to the Ministry of Finance letter:

> This public consultation was designed as a participative process to identify the potential application of the framework Safeguards for Environmental and Social (E&S) according to World Bank standards, and gaps which occur as a result of the application of E&S Safeguards with the development of the planning of policy, procedure and human resources needed to overcome the aforementioned gap. This TOR is designed to be able to apply Safeguards effectively for all future PPP projects

The vaguely worded Terms of Reference (TOR) included with the invitation:

The TOR was titled: "INDONESIA: Indonesia Infrastructure Finance Development Project. Terms of Reference: Preparation of Environmental and Social Management Framework". No further information was provided about the Indonesia Infrastructure Finance Development Project, nor about the "consultancy"nor the consultant.

KEMENTERIAN KEUANGAN REPUBLIK INDONESIA
DIREKTORAT JENDERAL PENGELOLAAN PEMBIAYAAN DAN RISIKO
DIREKTORAT PENGELOLAAN DUKUNGAN PEMERINTAH DAN PEMBIAYAAN INFRASTRUKTUR

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Telepon +62 21 3505052 (ext. 2215) Faksimili : +62 21 3447386 Laman: http://www.djppr.kemenkeu.go.id/

Nomor : UND- 169 /PR.6/2015 — 16 Desember 2015
Sifat : Sangat Segera
Lampiran : 1 (satu) berkas
Hal : Undangan Konsultasi Publik

Yth. (Daftar terlampir)

Sehubungan dengan rencana penyusunan Kerangka Kerja Pengelolaan Lingkungan Hidup dan Sosial (*Environmental and Social Management Framework – ESMF*) untuk Kemitraan Pemerintah Swasta (*Public Private Partnership – PPP*) dalam lingkungan Kementerian Keuangan Republik Indonesia, perlu dilaksanakan konsultasi publik atas rencana tersebut kepada para *stakeholder*.

Konsultasi publik ini dirancang sebagai proses partisipatif untuk mengidentifikasi potensi penerapan kerangka kerja *Safeguard for Environmental and Social (E&S)* sesuai standar *World Bank (WB)* dan kesenjangan yang terjadi sebagai akibat dari penerapan *E&S Safeguards* serta mengembangkan perencanaan kebijakan, prosedur dan sumber daya manusia yang diperlukan untuk mengatasi kesenjangan tersebut. Kerangka Kerja ini dirancang untuk dapat menerapkan *Safeguards* secara efektif pada seluruh proyek PPP dimasa yang akan datang.

Sehubungan dengan hal tersebut diatas, kami mengundang perwakilan dari instansi terkait untuk berpartisipasi dalam kegiatan "Konsultasi Publik Pembahasaan *Terms of Reference (TOR)* Pengembangan ESMF" yang akan diselenggarakan pada:

Hari/Tanggal	:	Senin, 21 Desember 2015
Waktu	:	09.00 – 13.00 WIB
Tempat	:	Ruang Rapat Lobby, Gedung Frans Seda Lantai 1 Jalan Dr. Wahidin Raya Nomor 1, Jakarta Pusat
Agenda	:	Terlampir

Mengingat pentingnya acara tersebut, kami mengharapkan kehadirannya tepat waktu. Pendaftaran dan konfirmasi kehadiran dapat disampaikan langsung kepada: Sdri. Rima Mayasari alamat email: rima@hatfieldgroup.com atau Fax: 0251-8340414 paling lambat pada Hari Jumat, tanggal 18 Desember 2015 pukul 17.00.

Demikian undangan ini disampaikan, atas perhatian dan kehadirannya diucapkan terima kasih.

Direktur
u.b.
Kasubdit Persetujuan Dukungan Pemerintah

Plt **Sri Bagus Guritno**
NIP 19670415 199203 1 001

Tembusan:
Direktur Pengelolaan Dukungan Pemerintah dan Pembiayaan Infrastruktur

INDONESIA

Indonesia Infrastructure Finance Development Project
Terms of Reference
Preparation of Environmental and Social Management Framework

A. Objectives of Consultancy

1. Objective of this consultancy is to develope the aforementioned RETF project related ESMF to reduce, mitigate and manage the risks and potential impacts and range of safeguards issues related to the Recipient Executed aspects of the project.

The civil society groups invited to the "consultation" could not understand what the "aforementioned RETF project" was or what the consultancy was.

They also did not know at the time, that PT Hatfield Indonesia, had just been awarded a contract for one of Indonesia's high profile infrastructure projects with KaretaApi Borneo, a subsidiary of Russian Railways, the Russian company designated to build the controversial coal railroad infrastructure project in Kalimantan. PT. Hatfield's responsibilities apparently include conducting environmental impact assessments for the project and "Securing environmental permits in accordance with relevant regulations, particularly Government Regulation No. 27/2012 concerning environmental permits.")[59].

On the positive side, this was the first time that NGOs could recall ever receiving an invitation for a "consultation" of any sort, even a fake one, from the Indonesian Ministry of Finance.

However, given the lack of advance notice only two NGOs were able to attend, only one of which was an NGO focused on infrastructure finance.The meeting was structured as an information session ("sosialisasi") and could not remotely be construed as a public consultation. Much of the time was spent in powerpoint presented by PT. Hatfield which described the Indonesia Infrastructure Finance Development Trust Fund. Apparently, this Trust Fund was formed by the World Bank with $15 million in Trust Funds from the Canadian government over a five year period from 2016 to 2020[60].

When the solitary NGO focused on infrastructure finance attempted to raise the issue of the necessity of ensuring the use of the highest international standards, including safeguards required by the World Bank and ADB, this suggestion was quickly rejected and **officials present made it clear that only Indonesia's national safeguard systems would be utilized and not**

59 http://www.hatfieldgroup.com/news/news-releases/pt-hatfield-indonesia-pthi-awarded-the-contract-to-conduct-amdal-study-of-pt-kereta-api-borneo-sea-coal-terminal/; According to the PT Hatfield Indonesia webpage announcing the contract, Hatfield Consultants, was established in 1974 and headquartered in Vancouver, Canada; Jakarta Globe, Russian Transport Firm to Break Ground on E. Kalimantan Railway Next Month, "The East Kalimantan provincial government had said earlier that Russian investors would also be involved in the construction of bridges, ports and techno parks in the province, with a possibility to build a nuclear power plant. Russian Railways, Russia's largest railway and locomotive company, reportedly set aside about $2 billion for the East Kalimantan project." http://jakartaglobe.beritasatu.com/business/russian-transport-firm-break-ground-e-kalimantan-railway-next-month/

60 According to a powerpoint presentation by PT. Hadfield titled, "KONSULTASI PUBLIK: Penyusunan Kerangka Kerja Pengelolaan Lingkungan dan Sosial (Environmental and Social Management Framework - ESMF), 12/21/15, Jakarta.

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CONSULTANTS

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PT Hatfield Indonesia (PTHI) Awarded the Contract to Conduct AMDAL Study of PT Kereta Api Borneo Sea Coal Terminal

Oct 14, 2015

Phase 1 development of a coal terminal is planned by PT Kereta Api Borneo (KAB), an Indonesian subsidiary of Kalimantan Rail Pte. Ltd., within the Buluminung Industrial Zone. In accordance with a letter from the Governor of East Kalimantan Province (No. 551.6/5411/EK), this port project is considered a Strategic Infrastructure Project.

KAB appointed PTHI to complete all studies and reporting requirements related to the Environmental Impact Assessment (AMDAL) process. PTHI is responsible for:

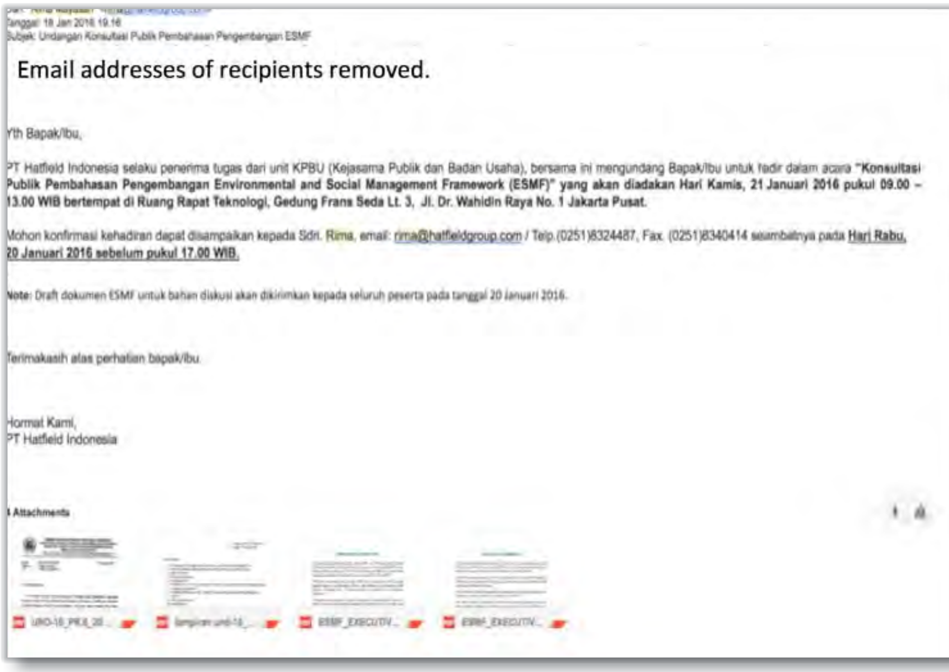
- Ensuring compliance with all requirements and submission of AMDAL documentation;
- Completing applications for required Environmental Permits;
- Supporting public consultations and developing supporting documentation;
- Developing terms of reference for the ANDAL and AMDAL reports for evaluation and approval; and
- Securing environmental permits in accordance with relevant regulations, particularly Government Regulation No. 27/2012 concerning environmental permits.

For more information:
Bambang T. Sasongko Adi
President Director
PT. Hatfield Indonesia
Email: hatfindo@hatfieldgroup.com
Telephone: +62 (251) 832 4487

those of the World Bank.

This seems to be a significant contradiction to the stated purpose of the ESMF as described in the invitation letter from the Indonesian Ministry of Finance – i.e. to develop safeguards in accordance with World Bank standards. The mention, in the letter from the finance ministry of "gaps" may also imply that the purported purpose of the discussion was to develop "gap-filling" measures and that this project is being administered under Indonesia's Country System. It does not appear that the mandatory due diligence required under the World Bank's Country System Safeguard was implemented. WB requirements for consultation were clearly not met.

On the evening of Monday, 18 January 2016, at 19:16h, NGOs which had signed a letter to the World Bank, IFC and ADB raising concerns about Indonesian Infrastructure Financial Intermediaries, received an email from the same consulting firm, PT. Hatfield Indonesia, which included a copy of an invitation from the Indonesian Finance Ministry (dated 15 January) to a four-hour long "public consultation" on Thursday, January 21 on the development of an ESMF in "accordance with World Bank standards."


Tanggal: 18 Jan 2016 19.16
Subjek: Undangan Konsultasi Publik Pembahasan Pengembangan ESMF

Email addresses of recipients removed.

Yth Bapak/Ibu,

PT Hatfield Indonesia selaku penerima tugas dari unit KPBU (Kejasama Publik dan Badan Usaha), bersama ini mengundang Bapak/Ibu untuk hadir dalam acara **"Konsultasi Publik Pembahasan Pengembangan Environmental and Social Management Framework (ESMF)" yang akan diadakan Hari Kamis, 21 Januari 2016 pukul 09.00 – 13.00 WIB bertempat di Ruang Rapat Teknologi, Gedung Frans Seda Lt. 3, Jl. Dr. Wahidin Raya No. 1 Jakarta Pusat.**

Mohon konfirmasi kehadiran dapat disampaikan kepada Sdri. Rima, email: rima@hatfieldgroup.com / Telp.(0251)8324487, Fax. (0251)8340414 selambatnya pada **Hari Rabu, 20 Januari 2016 sebelum pukul 17.00 WIB.**

Note: Draft dokumen ESMF untuk bahan diskusi akan dikirimkan kepada seluruh peserta pada tanggal 20 Januari 2016.

Terimakasih atas perhatian bapak/ibu.

Hormat Kami,
PT Hatfield Indonesia

4 Attachments

KEMENTERIAN KEUANGAN REPUBLIK INDONESIA
DIREKTORAT JENDERAL PENGELOLAAN PEMBIAYAAN DAN RISIKO
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Telepon +62 21 3505052 (ext. 2215) Faksimili : +62 21 3447386 Laman: http://www.djppr.kemenkeu.go.id/

Nomor : UND- 10 /PR.6/2016 — 15 Januari 2016
Lampiran : 1 (satu) halaman
Hal : *Public Consultation*

Yth. (Daftar terlampir)

Sehubungan dengan rencana penyusunan Kerangka Kerja Pengelolaan Lingkungan Hidup dan Sosial *(Environmental and Social Management Framework - ESMF)* untuk Kemitraan Pemerintah Swasta *(Public Private Partnership - P3)*, atau dikenal dengan KPBU dalam lingkungan Kementrian Keuangan Republik Indonesia, perlu dilaksanakan konsultasi publik atas rencana tersebut kepada para *stakeholder*.

Konsultasi publik ini dirancang sebagai proses partisipatif untuk mengidentifikasi potensi penerapan *Safeguard for Environmental and Social* (E&S) sesuai standar World Bank (WB) dan kesenjangan yang terjadi sebagai akibat dari penerapan *E&S Safeguards* serta mengembangkan perencanaan kebijakan, prosedur dan sumber daya manusia yang diperlukan untuk mengatasi kesenjangan tersebut. ESMF ini dirancang untuk dapat menerapkan *Safeguards* secara efektif pada seluruh proyek KPBU dimasa yang akan datang.

Menindaklanjuti Konsultasi Publik Pembahasaan *Term of Reference (TOR)* Pengembangan ESMF yang telah diselenggarakan sebelumnya pada bulan Desember 2015 dan draft pertama ESMF telah disirkulasikan guna mendapatkan masukan dari pihak-pihak yang berkepentingan.

Sehubungan dengan hal tersebut diatas, kami mengundang perwakilan dari instansi terkait untuk berpartisipasi pada kegiatan **"Konsultasi Publik Pembahasaan Pengembangan ESMF"** yang akan diselenggarakan pada:

Hari/Tanggal	: Kamis, 21 Januari 2016
Waktu	: 09.00 – 13.00 WIB
Tempat	: Ruang Rapat Teknologi, Gedung Frans Seda Lantai 3 Jalan Dr. Wahidin Raya Nomor 1, Jakarta Pusat
Agenda	: Terlampir

This took placea week before the Bank's Safeguard Review Consultation in Jakarta on January 28 for which NGOs were preparing and which had been announced on January 7. Oddly, almost none of the NGOs active in monitoring WB infrastructure projects and which had been in communication and meetings with the Bank and IFC and were known to Jakarta-based Bank staff were invited to the Safeguards Review Consultation by Jakarta World Bank Staff. Unlike the "consultations" on infrastructure, which provided invitation lists containing the names of government agencies and NGOs that had been invited so that all participants could see which NGOs and government agencies were invited, the WB Safeguards Review team in Jakarta kept their Safeguards "Consultation" invitation lists secret so that no organizations were able to see which other organizations or agencies had been invited. It later turned out that WB Jakarta staff who sent out the invitations did not invite the Indonesian NGOs which were monitoring infrastructure projects, and which had been in correspondence and meetings with the Bank. These groups had to be informed by international NGO colleagues about the WB safeguard consultations in their own country.

For the fake infrastructure "consultation", NGOs which received an invitation on 18 January 2016 and were requested to respond within 48 hours (by January 20). They were told that they would receive the draft ESMF that was the basis of the consultation on Wednesday, January 20, a day prior to the "consultation". There was no clear indication what the ESMP was for, or whether it was associated with an existing or planned World Bank project.A very brief Executive Summary of the ESMF in English and Indonesian was included with the email that stated:

> ESMF ini adalah untuk mendukung GCA yang berencana mengajukan proyek-proyek KPS untuk pendanaan dari IIDFTF guna menjamin kepatuhan terhadap peraturan nasional, dan secara efektif menyaring tindakan yang diusulkan mereka terhadap Pengamanan Bank Dunia '(WBS), untuk memastikan bahwa komponen ES dari proyek KPS yang diusulkan tersebut sesuai dengan harapan bagi dukungan dana.

On January 20, the day before the "consultation", several NGOs received by email from PT. Hatfield Indonesia, a 161 page copy of a draft "Environmental and Social Management Framework for the Indonesia Infrastructure Finance Development Trust Fund" written solely in English.

Obviously, these circumstances did not allow for anything resembling a meaningful consultation to occur. Those invited who did not attend were sent no follow-up information at what had transpired at the fake "consultation".

The Indonesian Legal Resource Center (ILRC), an NGO which had been engaged in monitoring infrastructure projects,responded with an email stating:

> *"We welcome the invitation…but we deeply regret that we only recently received the invitation on January 18, 2015 by email, and the ESMF document (* Environmental and Social Management Framework *) was received January 20, 2016. Thus, we do not have enough time to study the content / substance of the ESMF document. We are not able to*

EXECUTIVE SUMMARY

The Government-Private Collaborative Unit of the Ministry of Finance (MoF), herein after referred to as the PPP Centre, is the recipient of a World Bank (WB) administered trust fund entitled the Indonesia Infrastructure Finance Development Trust Fund (IIFDTF).

The PPP Centre makes available the IIFDTF funding support for 5 proposed PPP projects as pilots to support the development of the project Feasibility Study (FS) and enable the project to be brought to market for financing.

This Environment and Social Management Framework (ESMF) is to aid implementation of the 5 pilot projects selected to receive funding support from the IIFDTF.

This ESMF framework is applicable to all Government Contracting Agencies (GCA), that submit projects for consideration for funding support from the IIFDTF to the PPP Centre, in return the GCA receiving guidance and advice on how to package and present the proposed PPP project for financing.

The PPP Centre has been formed to support the promotion of PPP projects in Indonesia in support of government policy and to promote best practice in the implementation of Environment and Social (ES) safeguards.

The PPP Centre is partly supported by funds from the Government of Canada, and implemented through the Recipient Executed Trust Fund (RETF), the objectives of this project being:

- Help Indonesia in filling the infrastructure gap;
- Support the flow of private financing in to infrastructure;
- Develop institutional capacity for legal and regulatory frameworks; and
- Increase the use of the financing model of private, public partnerships to develop infrastructure.

This ESMF is to support GCA's who plan to submit PPP projects for funding from the IIDFTF to assure compliance with national regulations, and to effectively screen their proposed actions against the World Bank Safeguards' (WBS), to ensure that the ES components of the proposed PPP projects match with the expectations for funding support.

From: **Rima Mayasari** <rima@hatfieldgroup.com>
Date: 2016-01-20 9:02 GMT+07:00
Subject: Dokumen Draft ESMF
To:

Email addresses of recipients removed.

Yth Bapak/Ibu,

Melanjutkan email undangan acara "Konsultasi Publik Pembahasan Pengembangan Environmental and Social Management Framework (ESMF)" terlampir draft dokumen ESMF untuk bahan diskusi.

Terimakasih atas perhatian bapak/ibu.

Hormat Kami,
PT Hatfield Indonesia

ESMF MoF PPP C...

Environmental & Social Management Framework

For the Indonesia Infrastructure Finance Development Trust Fund

THE MINISTRY OF FINANCE
Directorate of Government Support and Infrastructure Financing Management

attend the event." " [61]

A very small number of Indonesian NGOs were listed on the World Bank website in the World Bank's "Combined Project Information Documents/ Integrated Safeguards Data Sheet (PID/ISDS), dated 10 March 2016 as having participated in "consultations."

The Indonesian Finance Ministry even posted photos of the fake consultation on its website:

Which claimed that there was a consultation on this project on January 21, 2016 and that Indonesian NGOs, including ILRC and Pusaka participated.

The World Bank posted on its website a "Combined Project Information Document / Integrated Safeguards Datasheet" for Indonesia's Infrastructure Finance Development Project dated March 16, 2016, indicating that the project would come before the Bank's Board for a vote on 25 April, 2016.

There were no consultations, only two rapidly set up "socialization" meetings, which did not meet any standard of consultation. To the best of our knowledge, no copy of the draft ESMF has so far been provided in Indonesian language, a necessary step for any sort of public consultation in Indonesia.No actual consultations have been held.

61 Letter from ILRC

COMBINED PROJECT INFORMATION DOCUMENTS / INTEGRATED SAFEGUARDS DATA SHEET (PID/ISDS)
APPRAISAL STAGE

Report No.: PIDISDSA15866

Date Prepared/Updated: 10-Mar-2016

I. BASIC INFORMATION

A. Basic Project Data

Country:	Indonesia	**Project ID:**	P157490
		Parent Project ID (if any):	
Project Name:	Indonesia's Infrastructure Finance Development (IIFD) - RE (P157490)		
Region:	EAST ASIA AND PACIFIC		
Estimated Appraisal Date:	12-Mar-2016	**Estimated Board Date:**	25-Apr-2016
Practice Area (Lead):	Finance & Markets	**Lending Instrument:**	Investment Project Financing
Sector(s):	General energy sector (20%), General transportation sector (20%), Rural and Inter-Urban Roads and Highways (20%), General water, san itation and flood protection sector (20%), General finance sector (20%)		
Theme(s):	Infrastructure services for private sector development (50%), Other Financial Sector Development (50%)		
Borrower(s):	Ministry of Finance		
Implementing Agency:	Directorate General of Financing and Risk Management		

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.
Consultation on the ESMF were carried out on January 21, 2016 and the document was disclosed on the GoI/MoF entities attended the consultations: Ministry of Finance, IIGF, Ministry of Public Works, Ministry of Transportation/ Indonesia Railway Corporation, PLN, Toll Road Authority

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Body, Embassy of Canada, Academia, NGO (LPPSD – Social Research and Development Institution), Indonesia Legal Resources Center, PP Muslimat NU, Pusaka Foundation, Pertamina – Geothermal Energy. A summary of consultations is part of the ESMF (appendix 9)

Conclusion

Safeguards at the World Bank, IFC and ADB may provide a measure of protection for project-affected communities and the environment if they are implemented, which does not appear to be the casewith the Indonesian infrastructure funds. It also appears that multilateral development banks and bilateral donors have failed to implement proper due diligence, including regarding decisions to use borrower systems for environmental and social safeguards in infrastructure investment. In addition, as MDBs initiate partnerships and co-financing with the new Asian Infrastructure Investment Bank, given the weakness of the AIIB safeguards compared to the other MDBs, the full implementation of existing MDB safeguards will take on added importance for co-financed initiatives.

As a result of civil society efforts, there is an effort underway to at least appear to be considering some portions of the relevant safeguards, but progress is slow and reliance on borrower systems has produced poor to non-existent disclosure and consultation and rapid involvement in projects with high social and environmental risks. The full implementation of existing safeguards, including those pertaining to consultation and provision of basic information to the public is urgently needed.

Given the high environmental, social and governance risks of infrastructure investments and, specifically, infrastructure financial intermediaries, mandatory safeguard requirements for robust public consultation, transparency, information disclosure and social and environmental impact assessment are of the highest importance.

This is especially true in the context of potential co-finance between the World Bank Group and the Asian Infrastructure Investment Bank. The AIIB's requirements for consultation, financial intermediaries and borrower system equivalency with mandatory safeguards appear far weaker than those of the World Bank, IFC and ADB. The ADB, for example, requires 120-day period of public consultation for any project or subproject with substantial environmental or social impact. The AIIB does not require this. It appears that the AIIB will rely heavily on borrower systems, but in the absence of due diligence requirements found at the ADB, World Bank and elsewhere.

The IFC's recent audit of the India Infrastructure Fund, released January 11, 2016, identified devastating violations of safeguards that resulted in substantial harm to communities.(See Annex A of this report.)

Given the high risk of environmental and social harm associated with existing and planned infrastructure financial intermediaries, funds, and investments and the weak to non-existent track record of safeguard implementation at the funds and implementing agencies currently supported by the World Bank, IFC, ADB and bilateral donors, including Australia, Germany, Canada, Switzerland, Japanand others in Indonesia, including at IIF and IIGF, it is of vital importance that the **problems in existing funds, programs and activities, including IIF and IIGF, must be fully remedied before providing any further financial, equity or guarantee support, including support for similar planned projects in the pipeline.This includes a call for a halt to support by IIGF for the Batang coal fired power plants, given violations of environmental and social safeguards and the World Bank commitment to end support for large scale coal fired power plants**.

Compliance with ADB, World Bank and IFC environmental and social requirements- including the World Bank and ADB requirement for **a full assessment[62] of country system equivalence** prior to the use of country systems, as well as safeguards requiringdisclosure and meaningful public consultation - must be clearly attained in existing infrastructure investment and guarantee funds prior to providing support for new efforts.

It should also be noted that the bilateral donors are OECD members. The OECD Guidelines for Multinational Enterprises, a government-backed international corporate accountability mechanism aimed at encouraging responsible business behavior around the world,are recommendations from governments to multinational enterprises operating in or from countries that are signatory to the Declaration on International Investment and Multinational Enterprises including the Guidelines. They provide guidance for responsible business conduct in areas such as: labor rights, human rights, environment, information disclosure, combating bribery, consumer interests, competition, taxation, and intellectual property rights[63].

While they are not legally binding on companies, OECD and signatory governments are required to ensure that they are implemented and observed. What distinguishes the OECD Guidelines from other corporate responsibility instruments and mechanisms is their international nature, the fact that they are government-backed standards and that they have a dispute resolution mechanism for resolving conflicts regarding alleged corporate misconduct[64].

Given the lack of public consultation, the lack of materials, including the lack of materials

62 This includes applying the full requirements of CSS Table 1A as part of the assessment of country systems.

63 http://www.oecdwatch.org/oecd-guidelines

64 ibid.

in Bahasa Indonesia on the proposed new projects, and the potentially significant environmental and social impacts of the proposed new activities, and the World Bank's assessment that the implementing agencies lack sufficient track record, experience and staffing to ensure proper environmental and social risk identification and avoidance, it is clear that it is premature for new projects to be proposed for consideration or approval prior to remedying the substantial problems found in existing projects, assessing the success of the use of Country Systems, to date, in the current investments and guarantee funds.

Foto: Tommy Apriando

Lampiran A – Audit CAO tentang Dana Infrastruktur India[65]

Sebuah contoh yang menceritakan permasalahan yang ada dengan dukungan Bank bagi perantara keuangan infrastruktur yang tidak jelas yang disajikan berdasarkan kasus Dana Infrastruktur India, yang diluncurkan dengan jaminan lebih dari $ 1 miliar dari Bank Dunia dan didukung oleh IFC. Proyek Bank telah disetujui pada tahun 2009 dan ditutup pada tahun 2015. Masyarakat secara langsung dirugikan oleh investasi IIF dan menyampaikan keluhan kepada CAO IFC Dalam penyelidikan Dana Infrastruktur India, CAO menemukan bahwa telah diabaikanya uji kepatutan pra-investasi, kegagalan untuk meninjau secara memadai "kemampuan Dana Infrastruktur untuk menangani risiko E&S."

Mereka menyimpulkan bahwa IFC - dan, lainnya yang akan dianggap investor lainnya - "tidak memiliki dasar untuk menyimpulkan bahwa investasi dalam Dana tersebut bisa memenuhi" persyaratan pengamanan. CAO menemukan bahwa IFC gagal memasukkan persyaratan E & S ke dalam perjanjian dengan Dana Infrastruktur; bahwa ada cukup pengawasan untuk memastikan proyek dirancang untuk mematuhi pengamanan; pencairan dana IFC terjadi tanpa memastikan kondisi E & S terhadap pencairan tersebut terpenuhi. Mereka menemukan bahwa, meskipun tidak memuaskan kinerja E & S tidak memuaskan dalam perantara keuangan, IFC melakukan investasi baru tambahan, meskipun ketidakpatuhan secara material terhadap persyaratan E & S; dan mereka menemukan adanya kegagalan dalam mengawasi kepatuhan perantara keuangan dengan persyaratan keterbukaan. Semua ini menyebabkan dampak yang menghancurkan, dan berpotensi tidak dapat dipulihkan, pada masyarakat yang terkena dampak, khususnya mereka yang terkena dampak investasi pajanan Dana Infrastruktur dalam pembangkit listrik Kamalanga batu bara 1.050 MW.

Dana Infrastruktur India adalah model untuk pengembangan Dana Infrastruktur Indonesia, juga didukung oleh Bank Dunia[66].

65 Penelitian CAO terhadap Kinerja Lingkungan dan Sosial IFC terkait dengan: Dana Infrastruktur India (#26237), 10/28/15

66 World Bank Project P102771, http://www.worldbank.org/projects/P102771/financing-public-private-partnerships-ppps-infrastructure-through-support-india-infrastructure-finance-company-ltd?lang=en;http://blogs.worldbank.org/ppps/innovative-financing-case-india-infrastructure-finance-company; 7/9/15; CAO, "CAO Penelitian CAO terhadap Kinerja Lingkungan dan Sosial IFC terkait dengan: Dana Infrastruktur India", 2015, yang dirilis 11 Januari 2016

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