

**INFORMATION SUMMARY FOR THE PUBLIC
PT ENERGI BAYU JENEPONTO**

Host Country:	Indonesia
Name of Borrower:	PT Energi Bayu Jeneponto
Project Description:	The development, construction, commissioning and operation of a 72 MW wind farm in Indonesia. The Project will benefit from a 30-year power purchase agreement with PT Perusahaan Listrik Negara (Persero), the Government of Indonesia offtaker.
Proposed OPIC Loan:	A 20 year investment guarantee not to exceed \$120 million.
Total Project Costs:	\$160 million
Foreign Sponsor:	Equis Energy
Policy Review	
U.S. Economic Impact:	The Project is not expected to have a negative impact on the U.S. economy. There is no U.S. procurement associated with this Project, and therefore the Project is expected to have a neutral impact on U.S. employment. The Project is expected to have a negative five-year U.S. balance of payments impact.
Developmental Effects:	This Project is expected to have a highly developmental impact by expanding Indonesia's capacity to generate clean energy by 72 MW. Indonesia's generation capacity growth has been lower than electricity demand, leading to power shortages and a low electrification ratio. The Project will be located in South Sulawesi, which has an installed generation capacity of approximately 1.4 GW. Rising population, per-capita incomes, and structurally low electrification will contribute to a growth in energy demand on South Sulawesi of an estimated 8% per year from 2015 to 2025. Eastern Indonesia lags behind the western area of the country, with some provinces only providing electricity to 43% of its population. The Project aligns with the Government of Indonesia's energy goals, which aim to increase renewable energy's contribution to the generation mix from 6.8% in 2016 to 23% by 2025, and will help Indonesia achieve U.N. Sustainable Development Goal #7 (Affordable and Clean Energy).
Environment:	Screening: This Project has been reviewed against OPIC's categorical prohibitions and determined to be categorically eligible. Wind farms that are not located in sensitive ecological areas and that demonstrate minimal potential for significant adverse impacts on wildlife and community are typically screened as Category B under OPIC's environmental and social guidelines because impacts are site specific and readily mitigated. The major concerns related to the Project are potential impacts to the community both during construction and operation (e.g., noise and shadow flicker), appropriate occupational health

and safety measures, and proper management of waste and hazardous materials.

Applicable Standards: OPIC's environmental and social due diligence indicates that the Project will have impacts that must be managed in a manner consistent with the following Performance Standards:

PS1: Assessment and Management of Environmental and Social Risks and Impacts;

PS2: Labor and Working Conditions;

PS3: Resource Efficiency and Pollution Prevention;

PS4: Community Health, Safety and Security; and

PS6: Biodiversity Conservation and Sustainable Management of Living Natural Resources.

In addition to the Performance Standards listed above, the World Bank Group's August 7, 2015 Environmental, Health, and Safety (EHS) Guidelines for Wind Energy, International Finance Corporation's (IFC) April 30, 2007 EHS Guidelines for Electrical Transmission and Distribution and relevant sections of the IFC's April 30, 2007 General EHS Guidelines are applicable to this project.

Environmental and Social Risks and Mitigation: The Project has prepared a Project-specific Environmental, Social, Health and Safety Management System (ESHS-MS) to identify the environmental and social management and mitigation actions required to implement the Project in accordance with the IFC Performance Standards and applicable Indonesian national and local laws, standards and regulations. The Project-specific requirements for environmental and social management have been incorporated into the EPC and O&M contracts and will be utilized by the Project's EPC and O&M contractors to develop site-specific management plans, including occupational health and safety plans, for both the construction and operating phases of the Project.

Water use during construction is expected to be minimal and is only required for drinking water for the employees, construction of turbine foundations and dust suppression. Water will be sourced from groundwater, which is plentiful in the area. The Project site includes 7 catchments, 6 major drainage courses and primary and secondary irrigation canals. Although the site is relatively flat, construction of on-site roads and foundations represents the potential for increased erosion, soil compaction,

runoff and sedimentation. Because the Project is located in the midst of paddy fields, the Project must be vigilant in maintaining water flows from the irrigation channels and reducing sedimentation to the maximum degree possible. A hydrology assessment was completed in October 2016 in order to aid road design, maintain irrigation flows and protect potable water sources.

Dust generation from construction activities during the dry season may be high, particularly during periods of high winds. The Project will implement dust suppression requirements in the environmental permit, including watering construction faces and roads twice daily during the dry season. The estimated avoided GHG emissions associated with the Project is 213,700 tons CO_{2e}/year.

Noise modelling undertaken for the Project indicates that noise levels at all receptors will meet Indonesian and IFC noise standards. The Project will monitor noise levels and implement mitigation measures, such as planting trees or erecting noise barriers around residents, if complaints are received during operation.

The Project area is relatively flat with little topographic relief. For this reason visual impact will be high, and the wind turbines and transmission line will be visible for some distance by hundreds of residents. Shadow flicker modeling indicates that 10 residences will experience shadow flicker more frequently than the IFC guideline (30 hours/year), with one residence experiencing shadow flicker for 84 hours/year. The Borrower has committed to implementing mitigation in the event affected residents complain about the shadow flicker.

Major equipment will be delivered to Makassar Port and transported through Makassar City, Gowa, Takalar and Jenepono. Only minor road upgrades are required to meet the size and weight requirements of the delivery vehicles.

The Project undertook two bird and bat surveys: one during the dry season (October 2016) and one during the rainy season (January 2017). Based on the findings of the surveys, the Project is not expected to result in significant impacts on biodiversity. Under the terms of the environmental permit, the Project is required to monitor for the presence of birds and bats for at least the first two years of operations, with subsequent monitoring as required by Provincial authorities.

<p>Social Assessment:</p>	<p>The Project will be required to operate in a manner consistent with the International Finance Corporation (IFC) Performance Standards, OPIC's Environmental and Social Policy Statement and applicable local laws.</p> <p>Corporate level human resources policies from the Borrower and EPC contractor have been reviewed. The Project will require contractors to adhere to the IFC Performance Standards. OPIC will require the Project to develop and submit Project- level human resource management systems that include contractor management and monitoring. OPIC's statutory labor rights language will be supplemented with provisions concerning the rights of association, organization and collective bargaining, minimum age of employment, prohibition against the use of forced labor, non-discrimination, hours of work, the timely payment of wages, and hazardous working conditions. Statute and supplemental contract language will be applied to all workers of the Project, including contracted workers.</p> <p>Land for the Project is being acquired on a willing seller willing buyer basis from private landowners. The Project developed a Land Acquisition Standard Operating Procedure to guide acquisition and minimize adverse social impacts related to land acquisition activities. The Project will acquire ~639 parcels (~52 ha) for the turbine layout, on-site roads and transmission line. These parcels are almost exclusively used for rice paddy cultivation. Land acquisition will affect ~581 land owners though the Project is currently conducting a socioeconomic census to confirm the details for all land owners and land users (contract farmers) of affected parcels. This census will inform the baseline conditions for the Livelihood Restoration Plan (LRP) that will be developed and submitted to OPIC. The LRP will ensure that all farmers' livelihoods that are negatively impacted from land acquisition activities are at least restored to baseline conditions, as per the Project's environmental permit and the IFC Performance Standards. Land around the turbines can return to agricultural use post-construction and the LRP will address this process. As of May 2017, the Project had signed sales agreement for 97% of the required parcels.</p> <p>The Project has undertaken public consultations in the communities of the affected parcels and has developed, though not yet fully documented or implemented, a public grievance mechanism. OPIC is requiring the Project to update its Stakeholder Engagement Plan to more pro-actively disseminate information and construction status updates among groups of</p>
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	<p>affected stakeholders and also fully document and implement the public grievance mechanism. In addition to information dissemination and consultation activities, the Project is developing near-, medium-, and long-term Corporate Social Responsibility (CSR) plans. The Project has already begun construction on a maternal health clinic and completed a community center, two activities requested through consultations with the locally affected villages.</p> <p>This review covers the commensurate human rights risks associated with the development of a wind farm in Indonesia.</p>
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