

Translation of original letter from Bahasa Indonesia to English

Project Manager  
PT. Indonesian Infrastructure Financing Facility Project

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Office of Asian Development Bank (ADB)

Jakarta

We submit this letter with the purpose of obtaining correct and complete information regarding the investment, loans and other support from the ADB for the development of infrastructure projects as well as support for infrastructure financing institutions in Indonesia. For this purpose, we would like to visit your office on 2 September 2015.

We hope to meet directly with ADB Infrastructure Project Manager including the Project Manager of The Indonesia Infrastructure Financing Facility / IIFF (Fasilitas Pendanaan Infrastruktur Indonesia) and safeguards experts associated with this infrastructure project and subprojects. Also, if there ADB projects that use the services of the Indonesia Infrastructure Guarantee Fund / IIGF, we are interested to meet with the Project Manager of the project. *Please note, we are interested in meeting with the operational project managers/decision-makers and not with human relations representatives.*

We sincerely hope that on 2 September 2015 there is a suitable time for you to meet with us. Please let us know your preference.

### **Background**

PT IIF was established by the government of Indonesia through PT Sarana Multi Infrastruktur (PT SMI) which worked with the Asian Development Bank (ADB), International Finance Corporation (IFC), and Deutsche Investitions-und Entwicklungsgesellschaft mbH (DEG).

With the financing company (PT IIF) and a corporate guarantee infrastructure (PII / IIGF), in 2010 Indonesia's President SBY then increased the number of coal power plants planned outside Java-Bali to thirty two new units. In the same year the government announced a second phase of this program, namely, the Fast

Track Program II (FTP II) which was planned to build 42 coal based power plants (3,312 MW), 43 Geothermal plants (4,007 MW), 3 hydro power plant (1,204 MW), and 4 power plant / Power Plant (1,660 MW)

In addition, FTP II also provides incentives and priority projects for geothermal energy, including coal railway network projects and ports that aim to increase coal exports, as per the Indonesian government's master plan for infrastructure.

Viewing these developments, as well as the potential impact on the environment (including forests) and society - and given that the ADB has provided a loan facility of investment and technical assistance (TA) and infrastructure-related projects in Indonesia, we seek the following information:

1. Details regarding which infrastructure projects and subprojects have been or supported by the ADB, especially those supporting or using the support of PT IIF and PT. IIGF and the public private partnership (PPP) and / or financial intermediaries (FIs), namely:

a. A list of all subproject of PT IIF;

b. Environmental and social impact assessment documents including EIA, AMDAL, EA, Indigenous Peoples Plans, Resettlement Plans related to PT IIF and ADB projects that use the services of PT. IIGF;

c. Operations Manual of PT IIF; (and PT. IIGF, if used by ADB);

d. Detailed reports of the public consultations held for PT IIF, including for sub-projects; the list of NGOs and communities involved in the consultation process for the establishment of PT IIF and for the assessment of sub-projects respectively.

e. Information on the fulfillment of/compliance with ADB safeguards in PT. IIF and PT. IIGF (if used by ADB) and / or any violation of safeguards or problems such as corruption in the projects and sub-projects.

2. The Government of Indonesia has announced that it is only able to provide funding from the state budget of 22% of the funds needed in 2015 to finance all infrastructure projects, which are expected to require funding above Rp 600 trillion. In January 2015, it was reported that the ADB plans to prepare a fund of at least US \$ 1.5 billion for infrastructure projects in Indonesia.<sup>1</sup> To what extent will the ADB provide this infrastructure funding, including for PT IIF and through other channels, project,s or other investments?

3. We also seek information about ADB plans - through PT IIF, PT IIGF or other

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<sup>1</sup> Reuters, ADB offers \$1.5 bln loan for delayed Indonesia infrastructure projects, 1/13/15, <http://www.reuters.com/article/2015/01/13/indonesia-adb-idUSL3NoUS28420150113>

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channels - for cooperation and/or co-finance with the Asian Infrastructure Investment Bank (AIIB).

It would be very helpful if the above information can be sent to us prior to our meeting in September.

Thank you for your attention and your willingness.

Jakarta, August 22, 2015

1. Uli Parulian - Indonesia Legal Resources Center (ILRC)
2. Zenzi Suhadi – Wahana Lingkungan Hidup Indonesia (WALHI)
3. Franky Samperante – Yayasan Pusaka
4. Rio Ismail - The Ecological Justice
5. Rivani Noor – Cappa
6. Wiwin – TUK Indonesia
7. Riza V. Tjahjadi – Biotani Bahari Indonesia
8. Stephanie Fried – Ulu Foundation
9. Abdul Halim – KIARA